

Annual Report

Building a better Winnipeg




Winnipeg

Embrace the Spirit • Vivez l'esprit



Enhance the spirit - Vision / Report

*"To be a vibrant
and healthy city
which places its
highest priority on
quality of life for
all its citizens."*

Vision Statement
Plan Winnipeg 2020 Vision

Manitoba Cataloguing in Publication Data

Winnipeg (MB). Corporate Finance Dept.
Annual Report.

Annual Report year ends December 31.

Continues: Winnipeg (MB). Finance Dept. Annual Report.

ISSN: (201-8147) Annual Report—City of Winnipeg.

1. Winnipeg (MB)—Appropriations and expenditures—Periodicals

2. Finance, Public—Manitoba—Winnipeg—Periodicals

HJ9014.M36W56

352.1710912743

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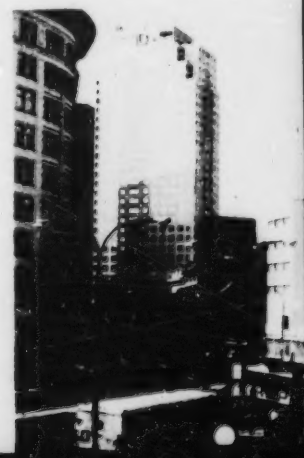
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Strengthening our City...buildin

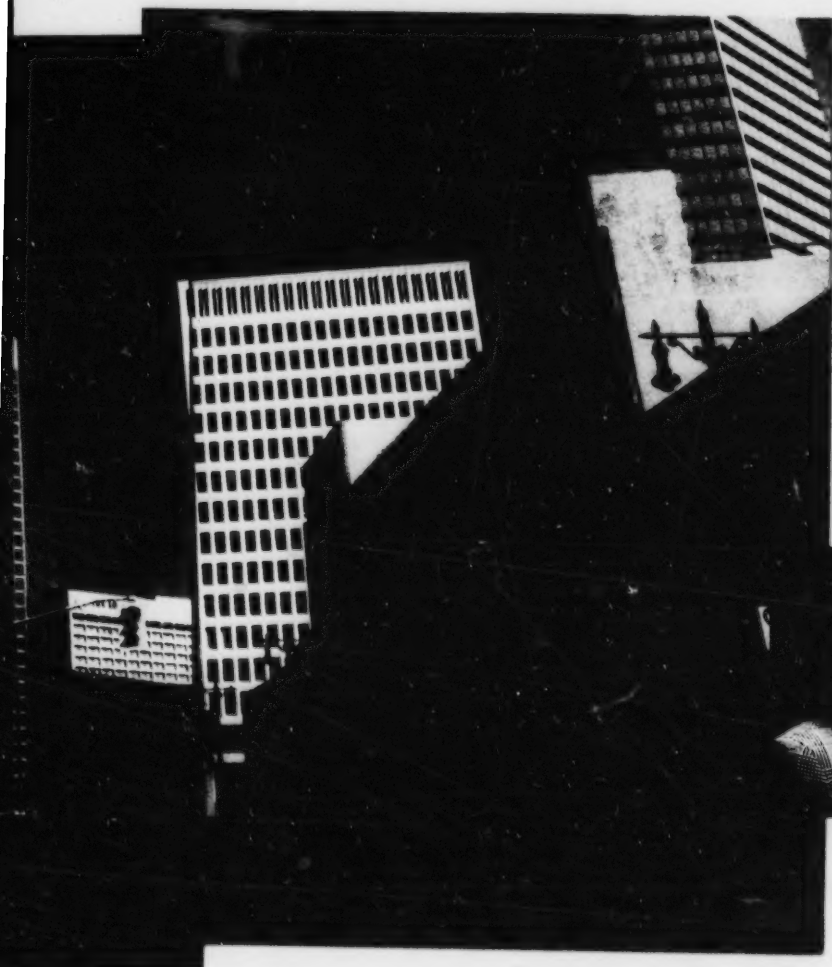


For

A Strong, Vibrant City: Winnipeg is a great place to live, and a great place to do business. The economy is the most diversified in Canada, its growth is steady, and the cost of doing business is among the lowest in North America. Goods from Winnipeg reach anywhere in the world in 48 hours;

the City is a leader in agribusiness, aerospace and the apparel industry, with Canada's second-largest financial services sector, and a growing stake in media and biotechnology. Winnipeggers are working together to build an even stronger city.

better downtown.



Age Avenue

Stronger Infrastructure: Winnipeg is building a stronger infrastructure for the future, with a capital budget that will invest \$106 million in residential streets and \$153 million in regional streets and bridges over the next six years. When funding for priorities like transit, water treatment, and e-government is factored in, the total infrastructure investment will exceed \$1 billion over six years.

Stronger Downtown: CentreVenture, Winnipeg's downtown development agency, has been working aggressively to market the city centre as a place rich in both heritage and opportunities. Projects like Red River College's Princess Street Campus, Waterfront Drive, the Provencher Bridge and the True North Entertainment Complex are transforming the downtown.

Strengthening our neighbourh

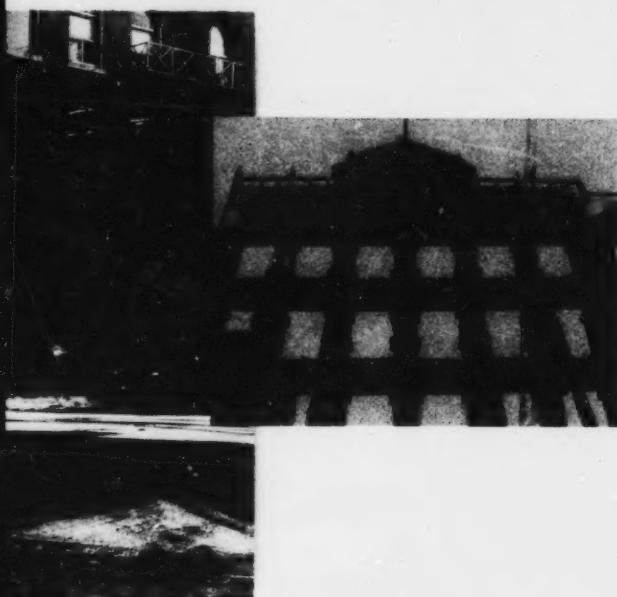


The Exchange District

A Strong Sense of Heritage: Winnipeg abounds in heritage treasures, from The Forks, to Louis Riel House, to the historic Exchange District, whose collection of terra cotta and stone-cut buildings is unrivaled in the world. Plan Winnipeg is committed to conserving those invaluable resources, through strategic planning, protection, and adaptive re-use. The City backs up this commitment with heritage initiatives in excess of \$32 million.

Stronger Neighbourhoods: Winnipeg's older neighbourhoods are being refreshed, renewed, and rebuilt, with help from the tripartite Winnipeg Housing and Homelessness Initiative and the joint provincial/city Building Communities Program. The residents themselves have played an active part in planning and making these neighbourhood improvements.

ds...and preserving our heritage.



A Strong, Vibrant Spirit: Winnipeg's spirit of community is brighter than ever. Winner of both the national "Communities in Bloom" award and the Canadian "Winter Lights Celebrations" competition, Winnipeg is beautiful, summer and winter. The City is home to world-renowned arts organizations and several professional sports teams. Winnipeg hosts some of the truly great North American festivals, like the Winnipeg Fringe Festival and Festival du Voyageur — events that really have no equal. And in the coming year, the City will host both the World Curling Championships and the 2002 North American Indigenous Games.

A Strong Sense of Home: Winnipeg is beautiful, filled with scenic parks, thriving and prosperous, home to many cultures. The City's people are the warmest and friendliest in the world. Winnipeg is both a city and a community—it's a great place to call home!



Waterfront Drive

Plan Winnipeg

2020 Vision



Following a thorough review and adoption process, "Plan Winnipeg 2020 Vision" was passed by City Council on December 12, 2001. The Plan is now official city policy and replaces the previous version, "Plan Winnipeg...toward 2010."

Plan Winnipeg speaks for Winnipeggers. Spanning a generation of time, the plan defines the kind of city that Winnipeg residents want for themselves and for their children. Furthermore, the plan articulates Council's commitment to fulfilling those aspirations.

The following vision statement, developed through public consultation, sums up Winnipeggers' vision for their city:

"To be a vibrant and healthy city which places its highest priority on quality of life for all its citizens."

When asked to articulate, in greater detail, their views regarding the quality of life in Winnipeg, residents have stated that their quality of life is dependent upon:

- a vibrant downtown and safe, healthy neighbourhoods;
- good municipal government that makes sound, principled decisions;
- economic prosperity shared by all Winnipeggers;
- development that is well planned and orderly;
- convenient access and mobility to all parts of the city;
- supportive and well maintained urban infrastructure;
- safety and security in the home, in neighbourhoods and downtown;
- knowledge and good health for all citizens;
- environmental quality in both natural and built environments; and
- a city with vitality, as seen in its people and the activities it offers.

These elements provide the backbone of the plan. Furthermore, the plan expresses Council's commitment to six key principles, each of which is integral to the vision that Winnipeggers hold for their city.

Sustainability—making certain that the choices available for future generations are not impaired by decisions made today.

Social consciousness—ensuring that all Winnipeggers are treated with dignity and respect.

Thoughtful development—evaluating the costs and benefits of development proposals.

Partnership and collaboration—working cooperatively with people, other governments, the not-for-profit sector and the private sector.

Healthy living—promoting healthy lifestyles.

Local empowerment—encouraging citizens to shape decisions that affect their lives.

The plan contains approximately 100 policy statements that support these principles. They are structured into five chapters that reflect the components of quality of life that were expressed by Winnipeggers. Council is committed to reporting on progress against these policies.

Message from the Mayor of the City

City Council has cut property taxes once again, by 2%, for the third year in a row. That means a resident with a house valued at \$100,000 in 1999 is paying \$90 less annually to the City today, which has been accomplished without compromising important front-line services. In fact, citizen satisfaction with civic services is up from 78 percent a few years ago to 90 percent today and our municipal taxes are now competitive with other major Canadian cities.



The operating budget recognizes affordable government is a key priority. It also reflects Council's strong commitment to security and safety with a \$5.6 million increase to the police budget; \$3.5 million has been added to the fire/paramedic department; substantial investment continues in our older neighbourhoods with a multi-million dollar housing renewal program that has leveraged \$25 million from the provincial and federal governments.

This investment is bringing tangible results. Almost 400 homes have been rehabilitated and are now filled with families, students and seniors, where once stood boarded up houses.

The 2002-2007 Capital Budget, approved by Council, renews other important infrastructure. The road repair budget is increased to \$106 million for residential streets, curbs, sidewalks; a further \$153 million is dedicated to regional streets and bridges, including \$45 million for the paired Provencher Bridges; \$110 million will upgrade sewers in older neighbourhoods; and, \$102 million will improve transit, including the continued purchase of low floor, accessible buses.

At the same time, tax-supported debt has dropped a substantial 27%, from \$463 million in 1998 to \$336 million today.

Council has adopted a *Home-grown Economic Development Strategy*, and through an innovative tax credit program, we are actively supporting local companies that expand their export capacity. Similarly, our Heritage Tax Credit Program is preserving historic buildings by rewarding entrepreneurs with property tax rebates. This has led to a major expansion downtown by

CanWest Global, construction of a new college campus in the Exchange District and the Crocus Building in the historic Ashdown Hardware store.

CentreVenture, our downtown development corporation, is assisting with more than 50 projects. Private owners of credit unions, hotels, night clubs, restaurants and retail stores are choosing to locate within blocks of Portage and Main. Manitoba Hydro has committed to building a new 400,000 square foot head office downtown to accommodate 2,000 employees, and anticipation builds around the True North Entertainment Complex.

The international credit rating agencies are recognizing Winnipeg's sound fiscal plan. Moody's has increased the City's rating to Aa3 from A1.

This Council promised to deliver a more affordable city, with better, safer streets, improved housing stock, a more alive downtown and a welcoming, competitive business climate.

We remain focused in achieving these worthwhile goals.

A stylized, handwritten signature of Glen Murray in dark ink.

Glen Murray
Mayor

Message from the Chief Administrative Officer

In 2001, the United Nations' International Year of the Volunteer, Winnipeg's spirit of community shone through. This is one of Canada's most beautiful cities; in the summer, we won the large cities category in the national "Communities in Bloom" competition, and this winter we topped the same category in the Canadian "Winter Lights Celebrations" competition.



The most beautiful thing about Winnipeg, though, is the people who live here. With one of the highest rates of charitable giving in the country, and almost 40 percent of Winnipeggers giving their time to volunteer, few cities anywhere can match our record.

That is an example which City staff are always trying to emulate. You can see it in the work of our Employees' Charitable Fund, which last year raised over \$320,000. You can see it in the way staff volunteer their personal time and effort, too—doing everything from building houses for "Habitat for Humanity," to pitching in with the "May I Help" City cleanup last spring.

Real Winnipeg community spirit is just as much a part of our everyday work, all over the City. Customer service and a focus on quality are key themes of all our planning and our day-to-day activity.

Our passion for service is reflected in Winnipeggers' response to our efforts. In 2001, 55 percent of citizens surveyed told us that the quality of life in our city is good, or very good. 80 percent said that Winnipeg is a safe city in which to live, up from only 62 percent in 1998. And, overall satisfaction with civic services remains at 90 percent, an extremely strong vote of confidence.

We are working hard to maintain that confidence. Over each of the past three years, we have supported Council's property tax cuts, a total reduction of six percent, with increasingly cost-effective administration. The decline in civic debt and increases in our reserves have impressed the international bond rating

agencies, with Standard and Poor's recently remarking on the City's "sound and rapidly improving financial position."

We have been active in our support of CentreVenture's efforts in the downtown, providing, for example, design review for Red River College's Princess Street Campus, and new infrastructure for Waterfront Drive. We are building the

new Provencher Bridge, and providing planning assistance in support of the True North Entertainment Complex.

Neighbourhoods, too, are growing stronger, thanks to establishment of the Province of Manitoba/City of Winnipeg Building Communities Program, and multi-million dollar investments under the tripartite Winnipeg Housing and Homelessness Initiative. Our staff are working with residents themselves to help plan for renewal.

We are working to make Winnipeg safer, continuing to equip our police and fire/paramedic personnel with new technology—like thermal imaging cameras. Our Police Service Family Violence Teams have gone into action, focussing on prevention and connecting high-risk families with the community resources they need.

In everything we do, we embrace the challenge of excellence. Our thanks both to City Council for the opportunity to pursue their vision of renewal, and to the citizens we serve on a daily basis. We are proud to be citizens of this community, too, and like Winnipeg's many great volunteers, we will do our part to make 2002 even better.

A handwritten signature in dark ink, reading "Gail Stephens". The signature is fluid and cursive.

Gail Stephens

Chief Administrative Officer

Message from the Chief Financial Officer

For the year ended 2001, The City of Winnipeg recorded consolidated revenues of \$1,041 million and consolidated expenses of \$980 million. The net result was a \$34 million increase in surpluses and a \$27 million growth in reserves. The \$34 million increase in surpluses can be attributed primarily to the Sewer and Water Utilities, while the \$27 million increase in reserves over the prior year is primarily due to an increase in both the Stabilization and Capital Reserves.

For the third consecutive year the 2002 operating budget, which was adopted by Council on October 25, 2001, included a 2% decrease in property taxes; while increasing funding for public safety. The business tax rate was frozen at the 1996 level for tax-supported projects.

Again for the third year in a row, during 2001, the City did not approve new tax-supported debt. Under our current capital plan, all future tax-supported projects will be financed internally. Because of this, the level of tax-supported debt is expected to peak in 2003 and then decline gradually over the medium term. As a consequence of this and other strategies adopted by Council, such as rebuilding our Stabilization Reserves, Moody's Investors Service raised the rating on the debt issued by the City to Aa3 from A1.

City Council approved two major plans during 2001 to ensure the citizens continue to receive efficient, cost effective and appropriate levels of service. The Financial Management Plan was approved on April 25, 2001. This plan guides financial decision making in support of Council's approved plans, programs and projects. The plan sets forth the guidelines against which current and future budgetary and



financial performance can be measured, and assists the City in planning fiscal strategy with a consistent, long-term approach. The seven goals included in the plan are the promotion of economic growth; support of a competitive tax environment; reduction of debt; control over expenses; maintenance of assets and infrastructure; ensuring adequate reserves; and expanding E-Government.

Plan Winnipeg 2020 Vision, was adopted on December 12, 2001. The plan outlines Council's long range policy plan and addresses the broad physical, social economic, and environmental conditions in the city. It provides a foundation for all civic activity because it is intended that all City documents, budgets, public works, programs, or developments be consistent with this plan.

In closing, I would like to thank all those who have contributed to the preparation of this Annual Report and these consolidated financial statements, including the Chief Administrative Officer Secretariat's Office, Senior Management, and in particular, staff within the Corporate Finance Department.

A handwritten signature in dark ink, appearing to read 'R. Gannon'.

Robert P. Gannon
Chief Financial Officer

A Responsive Political Structure

On January 1, 1972, **The City of Winnipeg Act** came into force creating the new unified City of Winnipeg. The legislation amalgamated a previously fragmented municipal structure of 12 municipalities and the Metropolitan Corporation of Greater Winnipeg into one single unified city government (Unicity). In the last 30 years, the City's political decision-making structure has been both reduced in size and significantly streamlined.

The citizens of Winnipeg are served by 15 full-time Councillors, each representing one ward, and by the Mayor, who is elected at large. They form the Council which is the governing body of the City and the custodian of its powers, both legislative and administrative. Directly under Council are the Executive Policy Committee (EPC), four Standing Committees, as well as community and ad hoc committees.

The City's Organization By-law No. 7100/97 establishes the framework for the administrative and decision-making structure.

The Executive Policy Committee: The Executive Policy Committee, whose members cannot exceed seven, is chaired by the Mayor, and made up of the chairpersons of Council's Standing Committees and any other members of Council appointed by the Mayor.

EPC's role and mandate is to formulate and present recommendations to Council on policies, plans, budgets, by-laws and any other matters affecting the City as a whole; to ensure the implementation of policies adopted by Council; to coordinate the Standing Committees; and to develop and establish policies relating to civic employees.

Standing Committees: Council is assisted in the discharge of its responsibilities by its Standing Committees. These committees are delegated certain powers and duties, and provide policy advice related to their specific responsibilities to Council through EPC. They also provide a forum for public input, and receive recommendations from Community Committees.

The Standing Policy Committees on Property and Development, Protection and Community Services, and Public Works are responsible for providing policy advice to Council on matters within their respective jurisdictions, as detailed in the chart on the facing page.

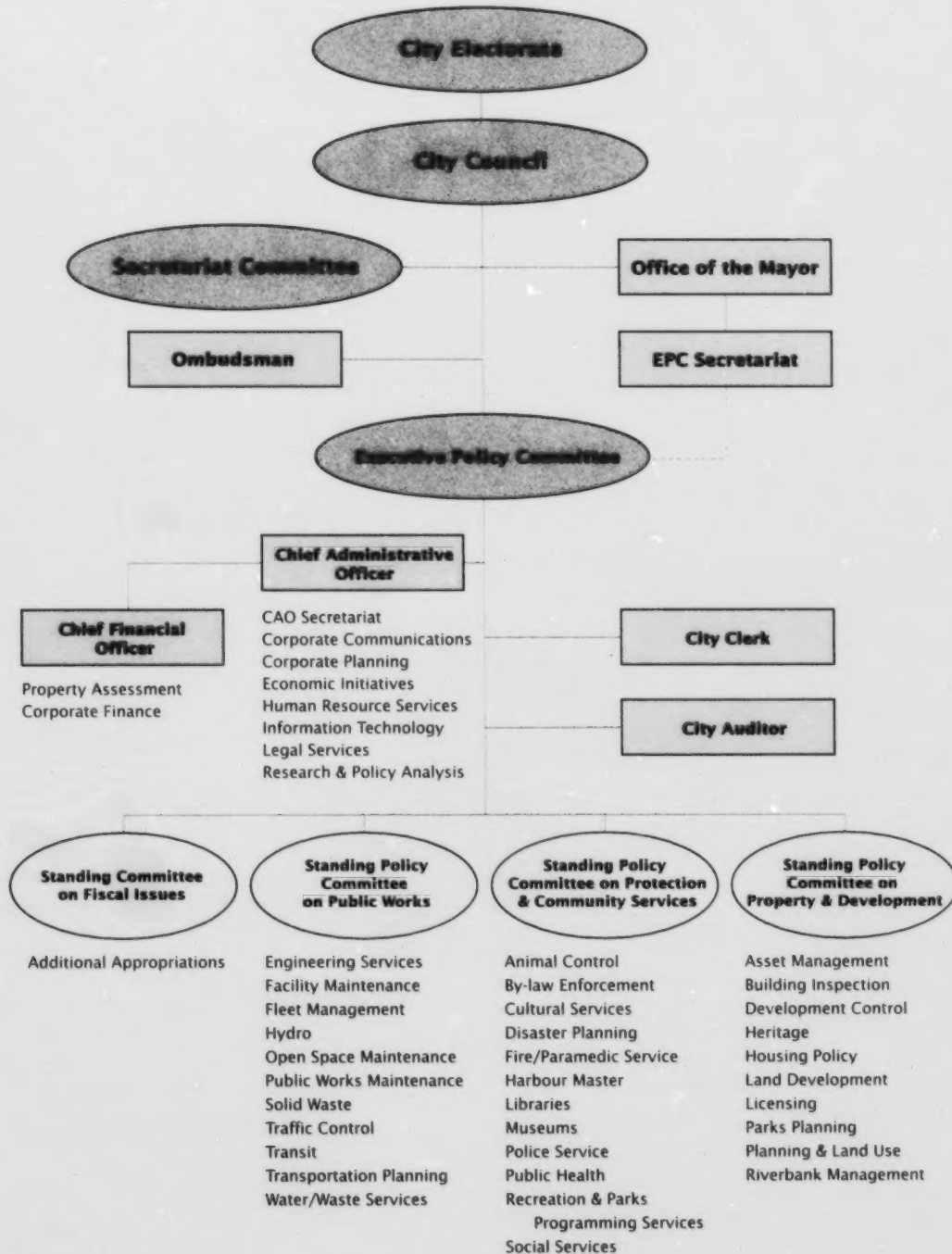
The Standing Committee on Fiscal Issues is responsible for coordinating and advising EPC on the City's fiscal policy development and fiscal strategies.

Chief Administrative Officer: The Organizational By-law provides for a Chief Administrative Officer (CAO), reporting directly to EPC. As the senior representative of the civic administration, the CAO is responsible for overseeing implementation of policy established by Council. The CAO also makes policy recommendations and provides information to Council for its deliberation.

A Chief Financial Officer (CFO) reports to the CAO. Both the Corporate Finance and Property Assessment departments report to the CFO.

Other departments reporting directly to the CAO include: Community Services, Corporate Services, Police Service, Fire/Paramedic Service, Public Works, Hydro, Transit, Water and Waste, and Planning, Property and Development.

Executive and Functional Organization



2001 Council and Senior Administrators

2001 Council

His Worship

Mayor Glen Murray

John Angus, St. Norbert Ward
Chairperson, Standing Policy Committee
on Public Works

Bill Clement, Charleswood-Fort Garry Ward
Chairperson, Standing Committee on Fiscal Issues

Peter De Smedt, St. Charles Ward

Jae Eadie, St. James Ward
Secretary of Intergovernmental Affairs
until November 1, 2001
Chairperson, Standing Policy Committee on
Protection and Community Services commencing
November 1, 2001

Jenny Gerbasi, Fort Rouge Ward
Chairperson, Standing Policy Committee on
Protection and Community Services until
November 1, 2001
Secretary of Intergovernmental Affairs
commencing November 1, 2001

Harry Lazarenko, Mynarski Ward
Deputy Speaker

Mark Lubosch, North Kildonan Ward
Acting Deputy Mayor until November 1, 2001

Mike O'Shaughnessy, Old Kildonan Ward
Speaker and Chairperson, Secretariat Committee

John Prystanski, Point Douglas Ward

Harvey Smith, Daniel McIntyre Ward

Garth Steek, River Heights Ward

Gord Steeves, St. Vital Ward
Acting Deputy Mayor commencing
November 1, 2001

Lillian Thomas, Elmwood Ward
Deputy Mayor

Shirley Timm-Rudolph, Transcona Ward

Daniel Vandal, St. Boniface Ward
Chairperson, Standing Policy Committee
on Property and Development

2001 Senior Administrators

Gail Stephens

Chief Administrative Officer

Robert P. Gannon

Chief Financial Officer

Cliff Jeffers

Chief Information Officer

Leslie King

Chief of Human Resources and Corporate Services

Rick Borland

Director, Winnipeg Transit

Keith Dowdall

Director, Corporate Finance until October 2001

Jack Ewatski

Chief, Winnipeg Police Service

Shannon Hunt

City Auditor

Richard Kachur

City Clerk

Doug Kalcsics

Director, Planning, Property and Development
until August 2001

Barry MacBride

Director, Water and Waste

Ian McKay

Director, Winnipeg Hydro

Brian Moore

City Assessor

Wes Shoemaker

Chief Fire/Paramedic Service

Ursula Stelman

Director, Community Services

Jim Thomson

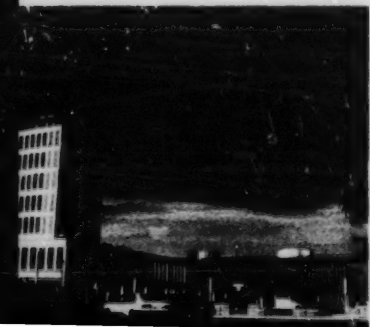
Director, Public Works

Government and the Economy

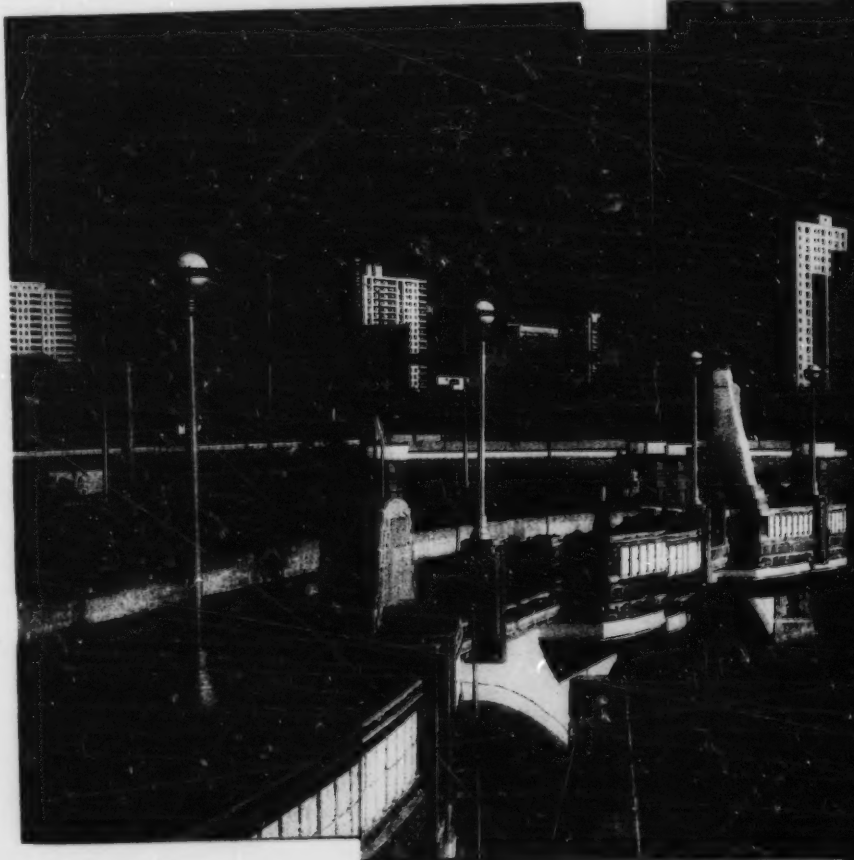
Building a better Winnipeg

An affordable and effective local government is key to a healthy economy. Utilizing the strategic opportunities inherent in the advancement of e-government and the strengthening of performance management and accountability, the administration ensures effective service delivery that is affordable to the taxpayer.

- Provided a transfer of \$17.0 million from Hydro profits to The City of Winnipeg for tax-supported purposes (\$16.5 million in 2000).
- Provided a transfer of \$19.2 million in 2001 (\$18.2 million in 2000) from the water, sewer and solid waste utilities for tax-supported services.
- Maintained the combined water and sewer rate at previous year's level, for the first time in 12 years.
- Grew the assessment roll, thereby contributing to the City's increasing tax base and its financial stability.
- Issued the 2002 assessment roll early, to allow first level appeals to be heard before tax bills are generated and thereby protecting the City's financial stability.
- Received results from two of the City's credit rating agencies on the City's 2000 financial results. Moody's Investors Service from New York upgraded the City's credit rating to Aa3 from A1.
- Provided process support in the development of Council's new Financial Management Plan. The Plan outlines the City's strategy for guiding its financial decision-making, protecting its ability to meet long-term obligations, and improving its economic position and financial stability.
- Completed the City's first comprehensive Human Resource Strategic Plan, which was adopted by Council. The Plan identifies a vision, critical success factors and four priority HR areas identified for immediate attention.
- Completed various stages of work relating to Alternative Service Delivery (ASD) initiatives—a key tool to support the City's efforts in achieving more affordable government. Progress was made in several key areas:
 - ~ Established Glacial Sand and Gravel on January 1, 2001, as the City's second Special Operating Agency.
 - ~ Implemented the ASD feasibility studies for both Golf Services and Fleet Services and prepared the business plans and selection reports of the ASD reviews.
 - ~ Completed Feasibility Study and ASD Review of Internal Printing Services.
 - ~ Continued work on the development of the Parking Services ASD Feasibility Study.
 - ~ Implemented ASD recommendations relating to City's radio communications, Internal Printing Services and the Police Training Academy.



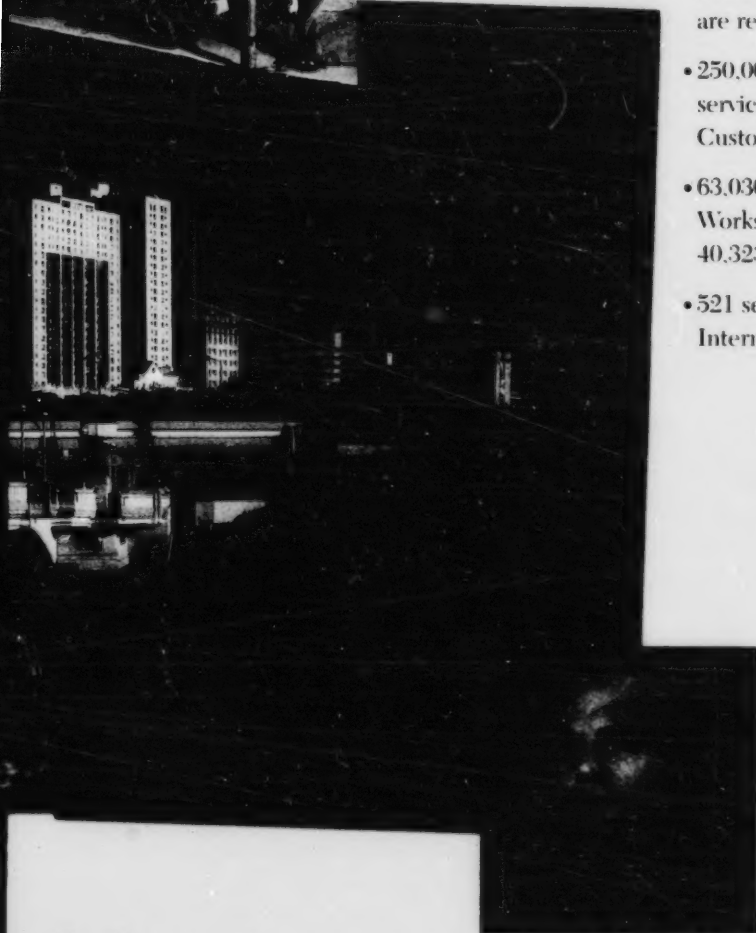
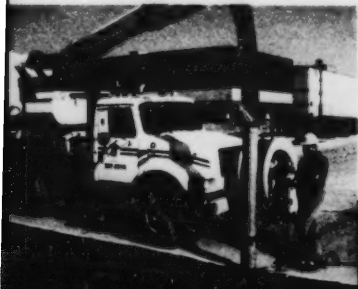
- Completed a third cycle of departmental business planning and review.
- Continued the review and development of a revised reporting system for capital transactions. The new system will significantly improve the City's ability to manage capital cash flow projections and measure actual results against budget.
- Conducted workshops with departments on the topic of performance measurement. The goal of these workshops was to assist/support departments by presenting a practical and simplified approach to measuring service performance.
- Significant progress has been completed on a comprehensive enterprise resource planning system entitled "Connexus." Progress to date has included: completion of the preliminary business case; commencement of Phase Two—Solution Selection; identification of the requirements of a new software system; and the development of a Request for Proposal (RFP) for software and implementation support.
- Developed an Internet-based, on-line permits option for building trades and new single-family dwelling permits. Representatives of the building and trades community participated in an on-line permits usability study to ensure the functionality and suitability of the on-line service prior to its formal launch.
- Implemented a full complement of electronic payment facilities to allow the City to issue material or sensitive payments from the desktop within a secure internal control environment. Payroll, Taxation and Winnipeg Hydro are able to modify all forms of electronic payment files and securities transactions electronically.
- Implemented Internet payment ability for property tax and utility bills.



*An affordable and
local government*

- Published an award-winning reassessment web site which proved flexible enough to support extensive enhancements to the site's interactive mapping requirements, and allowed for 1.6 million property searches, 1.5 million info searches, and 1.2 million map prints.

- Launched the "Electronic Citizens Information Service — eCIS" which provides citizens with the ability to search for property-based information from the Public Works, Community Services, and Planning, Property and Development departments.
- Enhanced the organization's enterprise information technology security through the provision of secure high-speed and remote dial-in connections for remote City offices and business partners.
- Implemented new automated debt collection system for Library Services to ensure City assets are returned in a timely manner, and outstanding debts are recovered.
- 250,000 calls taken from the public and 51,000 service requests processed by the Water and Waste Customer Service Centre.
- 63,030 calls from the public taken at the Public Works Customer Service Centre, with over 40,323 service requests processed.
- 521 service requests received through Public Works Internet-based "Report a Problem" system.



*Effective
is key to a healthy economy.*

Downtown and Neighbourhoods

Building a better Winnipeg

A city's neighbourhoods, especially its downtown, are its heart and soul. Through our partnership with the CentreVenture Development Corporation and others, our downtown, with over 50 different projects underway, is once again becoming a vibrant centre of our community. And our older neighbourhoods are undergoing redevelopment and experiencing revitalization opportunities like never before through the implementation of community-driven housing development plans.

- Provided support to the True North project in the development of an arena and world-class entertainment complex. The City's commitment has provided the basis for the realization of a \$125 million downtown capital project.
- Waterfront Drive development—a \$9 million downtown enhancement project involving the construction of 1.2 kilometres of roadway designed to open up new prime real estate opportunities fronting on the Red River. The new roadway, supported by all three levels of government, each contributing \$3 million, will provide a “front door” to Juba Park and increase public access to the area.



*A city's neighbourhoods,
downtown, are*

- The City, in consultation with CentreVenture, successfully negotiated a municipal grant for the development of CanWest Global's customer contact and corporate service centre within the downtown. The final plan would result in an additional 1,200 jobs in 127,500 square feet of leased space.



- The City provided a grant to CentreVenture to stimulate new downtown residential development.
- The joint Historic Buildings Committee and Historic Winnipeg Advisory Committee participated in the design review of the Red River College Princess Street Campus Project.
- On-going utilization of interdepartmental "DO IT" teams to facilitate and coordinate service in the downtown.
- Provided support to over 40 community development projects, in two older distressed neighbourhoods, through the investment of \$8 million in Winnipeg Development Agreement funding and in-kind services.
- Investment in the tripartite Winnipeg Housing and Homelessness Initiative has resulted in the rehabilitation of over 350 housing units in inner city neighbourhoods.
- Worked with the Province to jointly establish a new Community Revitalization Program—Building Communities, which will provide six neighbourhoods experiencing decline with \$14 million in capital development funding over five years.

- Continued development of the Community Resource Area model by assisting neighbourhood networks with community celebrations, festivals and cleanups.

*especially its
its heart and soul.*



Planned Development, Transportation and Infrastructure

Building a better Winnipeg

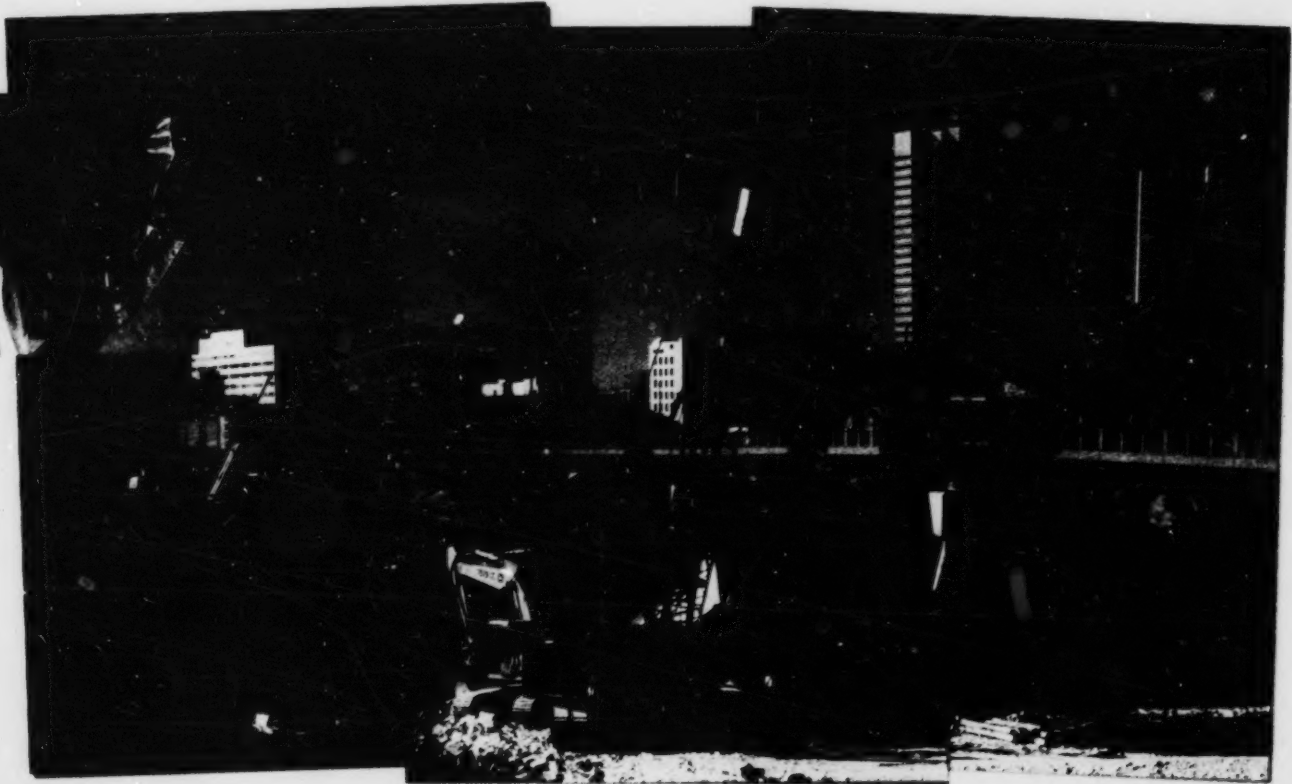
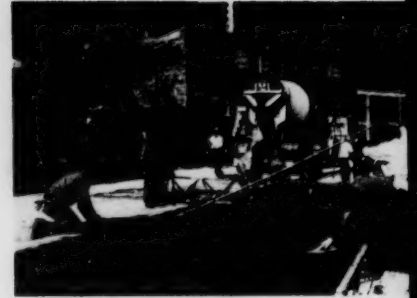
Maintaining roads and sidewalks, snow clearing, transit services, urban planning, hydroelectric power, and water and waste services are the lifeblood that keep a City functioning smoothly. To sustain its viability, a City must continually reinvest in its infrastructure.

- Construction began on the \$67 million Provencher Bridge project. The project consists of \$45 million for a new vehicle bridge, \$15 million for a pedestrian bridge and \$6.5 million for related roadworks.
- Began construction of Waterfront Drive between Lombard Avenue and Market Avenue.
- Constructed Main Street (northbound) with extensive streetscaping between Lombard Avenue and Alexander Avenue.
- Implemented a new Handi-Transit Computerized Scheduling System which will allow Handi-Transit customers to pre-book trips 24 hours in advance, as opposed to the 48-hour requirement in the previous system.
- Adopted a Universal Design Policy. Universal Design is a "pro-access" approach that works towards meeting the needs of a broad array of users, including people with disabilities in designing products, information, services and the built environment.
- The Province of Manitoba announced a one-time grant to the City of \$1 million for bus replacements, and \$515,000 for Handi-Transit Service expansion and the computerized scheduling system. The funding recommendations contained in the *Direction to the Future—The Guide to Better Transit for Winnipeg Report*, remain under discussion between the City and the Province.
- The construction of a solar-lit transit passenger shelter was completed. This innovative undertaking was the result of a joint research project carried out with the University of Manitoba's School of Landscape Architecture and Winnipeg Transit.
- The secondary dike enhancement program with a value of \$11.1 million (cost-shared 45 percent Federal, 45 percent Provincial and 10 percent City) is proceeding. The community ring dike feasibility study was completed, and the design of several community ring dike projects and individual flood proofing projects is underway.
- An ultraviolet (UV) disinfection pilot was constructed at Deacon Reservoir as part of the Council approved water treatment program which recommended further investigation into new drinking water treatment technologies. The project received funding assistance from the American Waterworks Association Research Foundation, as well as the Green Municipal Enabling Fund.



Infrastructure

- 70,000 laboratory analyses were conducted for water quality, wastewater treatment control, rivers and streams water quality, and industrial waste control.
- Obtained approval for a new funding formula for developer contributions to arterial street improvements. The proposal would have all area businesses, not just those fronting on the street, sharing street costs.
- Achieved agreement in principle on a new Underground Structures Agreement which includes a new "user pay" funding arrangement.
- Residential street renewals—total capital budget was \$10.2 million. Approximately 109 city blocks were renewed under the program.
- Completed initial stage of Intelligent Transportation System (ITS) signal operation project on Bishop Grandin Boulevard which will allow the department to better coordinate traffic signals with real-time information on traffic flows.



*Transportation and
structure are essential to a well
planned urban development.*

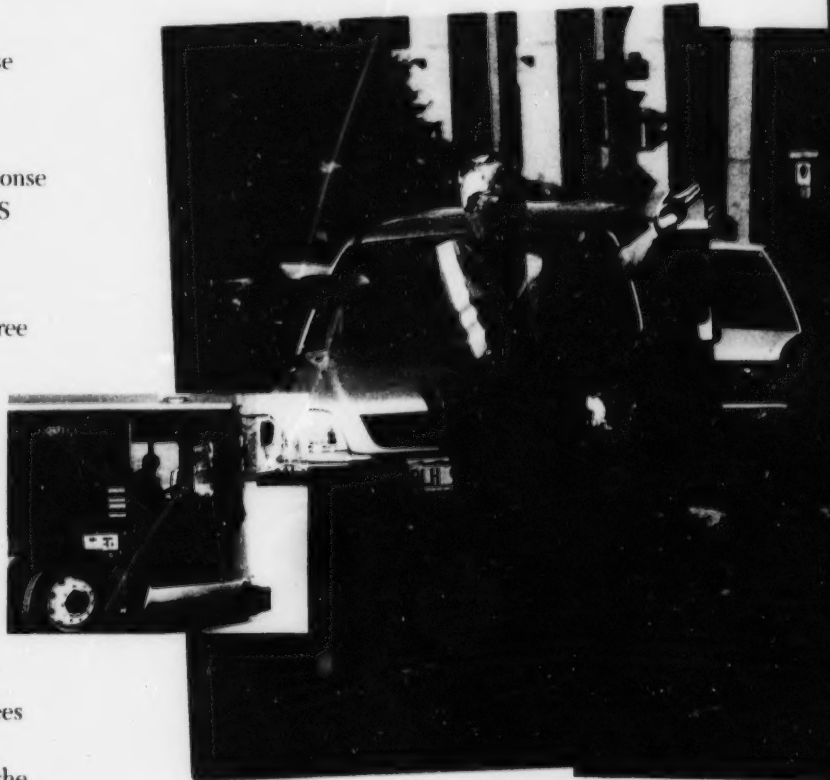
Public Safety, Health and Education

Building a better Winnipeg

The safety of our citizens is paramount.

Fire and emergency medical response, building standards and inspections, crime and injury prevention, and emergency preparedness form the basis of this protection. Health inspections, animal control, and the provision of city-wide library services enhance the health and education of our citizens.

- Initiated Primary and Advanced Care Paramedic Training programs to increase the skill level and ability of our current paramedical staff.
- Initiated a pilot of the Emergency Response Information Kit (E.R.I.K.) to allow EMS personnel immediate access to health information in the field.
- Fire/Paramedic Service has purchased three thermal imaging cameras, a state-of-the-art search and rescue device, that allows firefighters to see through smoke and darkness to find lost or trapped people, and locate hot spots. The department plans to purchase three more thermal imaging cameras in 2002.
- The Family Violence Intervention Team Pilot Project is a collaborative venture between the Community Services Department and Police Service that resulted from the recommendations of the City's Working Group on Domestic Violence. It is a three-year pilot project involving two Family Violence Intervention Teams each consisting of a police detective and social worker who will intervene in high-risk domestic violence cases where arrests have not been made.



*Support to n
provides saf*



- The Winnipeg Police Service (WPS) Traffic Division was presented with the 2001 "National Police Award for Traffic Safety" through the partnership of Transport Canada, the Canada Safety Council and the Canadian Association of Chiefs of Police. This award, now in its tenth year, recognizes outstanding achievements by members of Canada's police community in making our highways safer.
- The Anti-Arson Hotline (986-1000) operated by the Public Works Customer Service Centre took 197 calls and tracked 30 incidents/issues.



- WPS Community Services Division introduced the "Take Action in Schools" program (T.A.I.S.) to create and deliver current and topical crime prevention and safety presentations to Winnipeg schools.
- The WPS Stolen Auto Unit initiated the pilot project (S.T.E.A.L.) to reduce auto theft through the use of bait vehicles.
- The Winnipeg Committee For Safety, a committee of volunteers from across the City, has a mandate to support, assist, stimulate and mobilize the work of communities on safety concerns. Highlights of their activities of the past year include:
 - ~ Hosted a community forum on crime prevention through environmental design.
 - ~ Hosted a three-day Youth Forum entitled "Our Safety," which explored Human Rights, Violence in Schools and Gangs and Street Life and concluded with a presentation to community stakeholders such as the Winnipeg Police Service, Department of Justice and others.
 - ~ Produced numerous educational pieces to assist communities, building on the success of the "Safety Tool Box" manual, e.g. "Safety Audit Manual," "How to Hold a Community Conversation," "Conflict Resolution Manual."

The Numbers Say It All

- over 260,000 calls for police service (over 168,000 dispatched)
- well over 170,000 '911' calls
- over 66,000 crimes investigated
- 175,000 parking violations
- 155 interventions with vulnerable persons in crisis, including 12 multi-tenant building closures
- 3,150 responses to unsafe and unhealthy housing and property conditions
- 6,500 food handling establishment inspections
- 12,000 premises and property inspections by Environmental Health Officers
- 5.5 million library items circulated
- 364,000 registered library card holders
- 1,300 graffiti removal sites city-wide
- 127 youths counselled in the Youth Fire Stop Program
- 24,600 km of street snow plowing
- 14,000 km of sidewalk snow plowing

*neighbourhoods
environments in
which to live.*

Environment, Image and Amenities

Building a better Winnipeg

The City recognizes the need to provide a high quality of life through both natural and built environments that provide opportunities for year-round recreational and leisure activities. The City provides access to parks, open spaces, urban forests, the Assiniboine Park Zoo, and recreation for children and youth.

- Won the national "Communities in Bloom" competition for civic beautification, environmental stewardship and community involvement.
- The City also won the first Canadian "Winter Lights Celebrations" competition based on festive lighting and winter activities.
- A comprehensive apartment and condominium recycling program was implemented which is expected to divert an additional 4,500 tonnes of recyclables from the waste stream.
- City departments assisted in the staging of several major events over the past year. A cross-departmental Special Events Coordinating Committee ensured that all City resources were in place to successfully manage and stage the events in a safe and effective manner. Some of the major events included: Get Together Downtown, Winnie-the-Pooh Festival, War Child Benefit Concert, Night of Lights parade, and May I Help City cleanup campaign.



- Assiniboine Park Enterprise co-hosts the largest Canada Day Fireworks show in Western Canada, the Teddy Bear's Picnic, the Kite Festival and the Winnie-the-Pooh Friendship Day.
- Partnered with over 60 neighbourhood groups through the Adopt-a-Park Program.
- Partnered with river and creek stewardship groups to plant trees, shrubs and other native plants to protect river/creek banks from erosion and to provide habitat for animals.
- A pilot program for public space recycling in downtown Winnipeg was initiated.
- Significantly increased the use of more environmentally-sensitive biological insecticides for mosquito control.
- Ongoing delivery of Dutch Elm Disease abatement program to protect mature elms, which contribute to Winnipeg's international renown as a leader in environmental stewardship.



*Our natural and built
environments provide
year-round enjoyment.*

Consolidated Financial Statements

2001

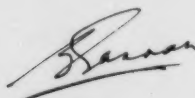
Responsibility for Financial Reporting

The accompanying Consolidated Financial Statements and all other information contained in this Annual Report are the responsibility of the management of The City of Winnipeg. The preparation of periodic financial statements involves the use of estimates and approximations because the precise determination of financial information frequently depends on future events. These Consolidated Financial Statements have been prepared by management within reasonable limits of materiality and within the framework of Canadian generally accepted accounting principles.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee—the Mayor, the Deputy Mayor, and the Chairpersons of Council's Standing Committees. In addition, the Audit Committee meets periodically with management and with both the City's internal and external auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to external and internal auditors.

Ernst & Young LLP, Chartered Accountants, as the City's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' Report is addressed to the Mayor and members of City Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of operations of the City in accordance with Canadian generally accepted accounting principles.



Robert P. Gannon
Chief Financial Officer

Auditors' Report

Consolidated Financial

To the Mayor and Members of City Council of
The City of Winnipeg

We have audited the consolidated statement of financial position of **The City of Winnipeg** as at December 31, 2001 and the consolidated statements of operations and surplus, reserve funds and cash flows for the year then ended. These consolidated financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of **The City of Winnipeg** as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ernst & Young LLP

Chartered Accountants

Winnipeg, Canada,
April 5, 2002.

Consolidated Statement of Financial Position

Statements

As at December 31 (in thousands of dollars)

2000

(Restated-Note 23)

Financial Assets

Cash and short-term investments
Accounts receivable (Note 3)
Long-term investments (Note 4)

\$ 384,837
128,189
78,637
591,663

Physical Assets

Capital assets (Note 5)
Inventories and supplies
Prepaid expenses
Deferred charges (Note 6)

1,162,741
15,557
1,575
3,440
1,183,313

\$ 1,774,976

Liabilities

Notes payable (Note 7)
Accounts payable and accrued liabilities (Note 8)
Deferred revenue

\$ 177,377
144,962
6,131
328,470

Long-term debt (Note 9)
Other liabilities (Note 10)
Retirement allowance, vacation and other liabilities (Note 11)

787,419
42,049
101,828
1,259,766

Commitments and contingencies (Notes 12, 15 and 19)

Municipal Position (Note 14)

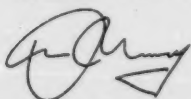
Reserves (Note 13)
Surplus (Note 14)

278,964
236,246
515,210

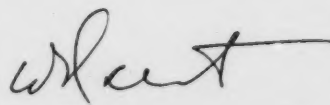
\$ 1,774,976

See accompanying notes to the consolidated financial statements

Approved on behalf of the Audit Committee:



Glen Murray
Mayor



Bill Clement
Chairperson, Fiscal Issues Committee



Consolidated Statement of Financial Position

As at December 31 (in thousands of dollars)

Financial Assets

Cash and short term investments
Accounts receivable (Note 3)
Long term investments (Note 2)

2001	2000
	Restated Note 23
\$ 481,517	\$ 384,837
125,730	128,189
86,884	78,637
694,131	591,663

Physical Assets

Capital assets (Note 7)
Inventories and supplies
Prepaid expenses
Deferred charges (Note 8)

1,131,724	1,162,741
15,611	15,557
1,611	1,575
3,211	3,440
1,152,157	1,183,313
\$ 1,846,288	\$ 1,774,976

Liabilities

Notes payable (Note 7)
Accounts payable and accrued liabilities (Note 8)
Deferred revenue

\$ 236,428	\$ 177,377
150,710	144,962
5,232	6,131
392,370	328,470

Long term debt (Note 9)
Other liabilities (Note 10)
Retirement allowance, vacation and other liabilities (Note 11)

728,923	787,319
43,828	42,049
105,336	101,828
1,278,087	1,259,766

Commitments and contingencies (Notes 12, 18 and 19)

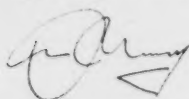
Municipal Position (Note 13)

Reserves (Note 13)
Surplus (Note 13)

305,755	278,064
270,076	236,246
575,831	515,210
\$ 1,846,288	\$ 1,774,976

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Audit Committee



Glen Murray
Mayor



Bill Clement
Chairperson, Fiscal Issues Committee

Consolidated Statement of Operations and Surplus

For the years ended December 31 (in thousands of dollars)

	2001	2000
		(Restated Note 23)
Revenues		
Taxation (Note 15)	\$ 480,974	\$ 488,334
Sales of services and regulatory fees (Note 16)	416,408	409,474
Government grants and transfers (Note 17)	93,741	92,530
Interest	39,894	39,291
Pension refund, land sales, and other revenue	10,184	47,169
Total Revenues	1,041,201	1,076,798
Expenses (Note 18)		
Utility operations	324,858	307,868
Protection and community services	258,308	239,979
Public works	203,794	210,818
General government	60,184	61,833
Property and development	53,221	46,929
Finance and administration	52,457	52,883
Civic corporations	27,758	26,566
Total Expenses	900,580	946,876
Excess Revenues Over Expenses and Net Change in Municipal Position for the Year	60,621	129,922
Allocated to Reserves	(26,791)	(98,345)
Change in surplus	33,830	31,577
Surplus, beginning of year	236,246	204,669
Surplus, end of year (Note 14)	\$ 270,076	\$ 236,246

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Reserve Funds

For the years ended December 31 (in thousands of dollars)

Increase:

Transfer from operating and capital funds
Taxation
Interest
Other revenue

2001	2000
\$ 49,203	\$ 95,417
31,670	34,654
14,186	12,865
6,221	9,527
101,280	152,463

Decrease:

Expended during the year
Transfer to operating and capital funds
Expended from Reserves

58,348	45,259
16,141	8,859
74,489	54,118

Allocated from operations

26,791	98,345
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Balance, beginning of year

278,964	180,619
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Balance, end of year (Note 13)

\$ 305,755	\$ 278,964
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See accompanying notes to the consolidated financial statements

Consolidated Statement of Operations and Surplus

Consolidated Financial

For the years ended December 31 (in thousands of dollars)

	2000
	(Restated-Note 23)
Revenues	
Taxation (Note 15)	\$ 488,334
Sales of services and regulatory fees (Note 16)	409,474
Government grants and transfers (Note 17)	92,530
Interest	39,291
Pension refund, land sales, and other revenue	47,169
Total Revenues	1,076,798
Expenses (Note 18)	
Utility operations	307,868
Protection and community services	239,979
Public works	210,818
General government	61,833
Property and development	46,929
Finance and administration	52,883
Civic corporations	26,566
Total Expenses	946,876
Excess Revenues Over Expenses and Net Change in Municipal Position for the Year	129,922
Allocated to Reserves	(98,345)
Change in surplus	31,577
Surplus, beginning of year	204,669
Surplus, end of year (Note 14)	\$ 236,246

See accompanying notes to the consolidated financial statements

Consolidated Statement of Reserve Funds

Statements

For the years ended December 31 (in thousands of dollars)

2000

Increase:

Transfer from operating and capital funds	\$	95,417
Taxation		34,654
Interest		12,865
Other revenue		9,527
		<u>152,463</u>

Decrease:

Expended during the year		
Transfer to operating and capital funds		45,259
Expended from Reserves		8,859
		<u>54,118</u>

Allocated from operations		98,345
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Balance, beginning of year		<u>180,619</u>
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Balance, end of year (Note 13)	\$	<u>278,964</u>
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See accompanying notes to the consolidated financial statements



Consolidated Statement of Cash Flows

Consolidated Financial

For the years ended December 31 (in thousands of dollars)

2000

Net inflow (outflow) of cash related to the following activities:

Operating

Excess Revenues Over Expenses and Net Change in Municipal Position for the Year	\$	129,922
Non-cash charges to operations		
Amortization		92,879
Amortization of debenture discount		2,144
Other		9,114
Working capital from operations		234,059
Net change in working capital other than cash assets		(12,084)
		221,975

Financing

Interest on funds on deposit with The Sinking Fund Trustees of The City of Winnipeg ("The Sinking Fund Trustees")		(16,813)
Debenture and serial debt issues		30,000
Debenture and serial debt retired		(138,345)
Sinking fund investments applied to debt redemption		49,053
Sinking fund debenture installments		(39,477)
Other		45
		(115,537)

Investing

Purchase of capital assets		(82,454)
Government of Canada capital grants		303
Province of Manitoba capital grants		19,971
Purchase of investments		(13,454)
		(75,634)
Increase in cash assets		30,804
Cash assets, beginning of year		176,656
Cash assets, end of year	\$	207,460

Components of Cash Assets

Cash and short-term investments	\$	384,837
Notes payable		(177,377)
	\$	207,460

See accompanying notes to the consolidated financial statements

Notes to the Consolidated Financial Statements

As at December 31, 2001 (in thousands of dollars, except as noted)

1. Status of The City of Winnipeg

The City of Winnipeg ("the City") is a single-tier municipality created on January 1, 1972 pursuant to **The City of Winnipeg Act**, a statute of the Legislature of the Province of Manitoba ("the Province"). The City provides municipal services such as police, fire, ambulance, public works, urban planning, parks and recreation, library and other general government operations. The City owns and operates a number of public utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation, entertainment, convention, tourism and housing activities.

The City is required by **The Public Schools Act** to bill, collect and remit provincial education support levies in respect of residential and other properties on behalf of the Province, and school division special levies on behalf of school divisions. The City has no jurisdiction or control over the school divisions' operations or their mill rate increases and therefore, the financial statements of the school divisions do not form part of the City's consolidated financial statements.

2. Summary of Significant Accounting Policies

The preparation of periodic financial statements necessarily involves the use of estimates and approximations because the determination of financial data frequently depends upon future events. These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, within reasonable limits of materiality. The significant accounting policies are summarized as follows:

a) Consolidation principles and basis of presentation

The consolidated financial statements of the City include the assets, liabilities, reserves, surpluses/deficits, revenues and expenses of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations based upon ownership or control exercised by the City. Interfund and intercorporate balances and transactions have been eliminated except for amounts related to services offered commercially including utility charges. In 2001, one new fund (*) was added, the Zoo Purposes and Zoo Animals Reserves were combined and renamed the Assiniboine Park Enterprises Reserve, the Pension Surplus and the Pension Stabilization Reserves were combined and renamed the General Purpose Reserve and the Fire/Paramedic Service—Ambulance was combined into the General Revenue Fund. Also, during the year the Retirement Allowance Reserve's equity was applied against the unfunded liabilities relating to the Reserve.

The consolidated financial statements include the following:

Special Purpose Reserves:

Contributions in Lieu of Land Dedication Reserve
Land Operating Reserve
Recreation Programming Reserve
Snow Clearing Reserve
Idea Bank Reserve
Commitment Reserve
Heritage Investment Reserve
Housing Rehabilitation Investment Reserve
Economic Development Investment Reserve
General Purpose Reserve
Assiniboine Park Enterprises Reserve
Perpetual Maintenance Fund—Brookside Cemetery
Perpetual Maintenance Fund—St. Vital Cemetery
Perpetual Maintenance Fund—Transcona Cemetery
Workers Compensation Reserve
Insurance Reserve

Stabilization Reserves:

Mill Rate Stabilization Reserve
Fiscal Stabilization Reserve

Capital Reserves:

Equipment Replacement Reserve
Watermain Renewal Reserve
Combined Sewer Renewal Reserve
Wastewater Sewer Renewal Reserve
Water Treatment Reserve
Environmental Projects Reserve
Brady Landfill Site Rehabilitation Reserve
Golf Course Reserve
Library Reserve
Transit Bus Replacement Reserve
Concession Equipment Replacement Reserve
Computer Replacement Reserve
Aqueduct Rehabilitation Reserve
Pointe du Bois Generating Station
Redevelopment Reserve
Water Treatment Reserve (Sinking Fund)
Brady Landfill Site Rehabilitation Reserve (Sinking Fund)

Other Funds:

General Capital Fund
General Revenue Fund
General Revenue Enterprises Fund
Equity in Capital Assets
Winnipeg Hydro
Transit System
Waterworks System
Sewage Disposal System
Solid Waste Disposal System
Equipment and Material Services
Civic Accommodations Fund
Public Works Fund
Animal Services—Special Operating Agency
*Glacial Sand and Gravel—Special Operating Agency

Other Entities:

Winnipeg Public Library Board
The Convention Centre Corporation
Tourism Winnipeg Incorporated
Economic Development Winnipeg
Winnipeg Enterprises Corporation (May 31st Year End)
Winnipeg Housing Rehabilitation Corporation (March 31st Year End)

The employees' pension and group life insurance funds of the City are administered on behalf of the pension and group life insurance plan participants by the Employee Benefits Board for the payment of pensions and life insurance benefits and accordingly are not included in the consolidated financial statements. In addition, certain trust funds and their related operations administered by the City are not included in the consolidated financial statements.

Separate financial statements for each of the above-noted entities, including the pension, group life insurance and trust funds, are included in the 2001 Detailed Financial Statements Report, a companion document to the City's 2001 Annual Report and Consolidated Financial Statements.



Notes to the Consolidated Financial Statements

Consolidated Financial

2. Summary of Significant Accounting Policies (continued)

b) Basis of accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay. Revenue from land sales is recorded in accordance with accounting principles used within the real estate industry.

c) Short-term investments

Short-term investments consist of bankers' acceptance and term deposits and are recorded at cost, which approximates their quoted market value. These investments have varying maturities up to May 13, 2002.

d) Inventories

Inventories are recorded at the lower of cost and net realizable value.

e) Long-term investments

Bonds and debentures are carried at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the remaining terms to maturity with annual amortization computed at amounts which, when combined with actual income received, result in a constant effective yield on the amortized book value.

Bond residues and coupons are carried at cost, plus accrued interest. Interest is accrued on the book value of the investments at a rate equivalent to the effective yield of each investment.

f) Capital assets

Capital assets, including land, financed by debt are recorded at the amount of the related outstanding obligations. These assets are amortized at an amount equal to the principal repayments of the debt. Assets financed by debentures that are retired prior to maturity are amortized over the remaining expected useful life of the asset. Capital assets in Winnipeg Hydro are recorded at cost and are amortized on a straight-line basis over their expected useful lives. In general, other assets are expensed in the year of purchase.

Cost includes certain interest and overhead expenses incurred during the period the asset is acquired, constructed or developed. Contributions in aid of construction are recorded as a reduction in the cost of the capital asset.

g) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. Capital assets acquired under a capital lease are recorded at the amount of the related obligation. These capital leases are amortized based upon the principal portion of the capital lease payments. All other leases are accounted for as operating leases and the related lease payments are charged to expense as incurred.

h) Assessment appeal costs

The City accrues a liability to reflect the amount of future payments related to the assessment period, net of certain assessments, which will be deferred and amortized over the balance of the reassessment period.

i) Debenture discounts and issue expenses

Issue expenses are charged to operations in the year of the related debenture issue and discounts on debentures issued are amortized over the life of the debenture.

j) Other deferred charges

The cost of certain initiatives that are long-term in nature and/or provide future economic or operational benefits to the City are deferred and amortized over the future periods to which they relate.

Notes to the Consolidated Financial Statements

3. Accounts Receivable

	2000
Property, payments-in-lieu and business taxes receivable	\$ 48,333
Allowance for property, payments-in-lieu and business tax arrears	(3,399)
	44,934
Trade accounts and other receivables	72,646
Province of Manitoba	9,630
Government of Canada	3,519
Allowance for doubtful accounts	(2,540)
	83,255
	\$ 128,189

4. Long-Term Investments

	2000
Marketable securities	
Government of Canada bonds, bond residues and coupons	\$ 46,688
Province of Manitoba bonds, bond residues and coupons	28,541
	75,229
Other investments	3,408
	\$ 78,637

The aggregate market value of marketable securities at December 31, 2001 is \$91.9 million (2000-\$82.4 million).



Notes to the Consolidated Financial Statements

3. Accounts Receivable

	2001	2000
Property, payments-in-lieu and business taxes receivable	\$ 45,283	\$ 48,333
Allowance for property, payments-in-lieu and business tax arrears	(3,283)	(3,399)
	42,020	44,934
Trade accounts and other receivables	74,202	72,646
Province of Manitoba	9,568	9,630
Government of Canada	2,463	3,519
Allowance for doubtful accounts	(2,523)	(2,540)
	83,710	83,255
	\$ 125,730	\$ 128,189

4. Long-Term Investments

	2001	2000
Marketable securities		
Government of Canada bonds, bond residues and coupons	\$ 49,860	\$ 46,688
Province of Manitoba bonds, bond residues and coupons	33,833	28,541
	83,693	75,229
Other investments	3,191	3,408
	\$ 86,884	\$ 78,637

The aggregate market value of marketable securities at December 31, 2001 is \$91.9 million (2000: \$82.4 million).

Notes to the Consolidated Financial Statements

5. Capital Assets

	2001	2000
Tax supported municipal structures, facilities and initiatives:		
Streets and bridges	\$ 189,672	\$ 289,274
Core area initiative and other special projects	181,408	175,628
Civic accommodations, equipment and other property	185,487	106,963
Land drainage sewers	84,213	72,979
Culture and recreation facilities	38,536	63,497
Protection facilities	22,873	36,302
Public transportation vehicles and facilities	28,179	32,074
Health and social development facilities	6,488	7,481
Total improvements	4,534	9,824
	773,186	794,022
Self supporting entities:		
Hydro generation and distribution facilities	187,889	187,465
Sewage collection, treatment and disposal facilities	105,019	110,246
Water supply and distribution facilities	57,167	62,392
Solid waste collection and disposal facilities	8,413	8,616
	358,488	368,719
	\$ 1,131,724	\$ 1,162,741

Capital assets are stated at cost less accumulated amortization. Accumulated amortization at December 31, 2001 is \$1,547.4 million; 2000, \$148.3 million.

6. Deferred Charges

	2001	2000
Deferred debenture discounts	\$ 2,952	\$ 2,643
Other deferred charges	899	797
	\$ 3,851	\$ 3,440

Deferred charges are stated net of accumulated amortization.

7. Notes Payable

	2001	2000
Civic Employees' Pension Plan	\$ 120,374	\$ 105,800
The Sinking Fund Trustees of The City of Winnipeg	88,000	28,698
Winnipeg Police Pension Plan	41,002	37,025
Civic Employees' Group Life Insurance Plan	4,000	5,845
Council Members' (Pre 1972) Pension Plan	7	9
	\$ 253,383	\$ 177,377

The City finances short-term borrowing requirements from related entities at market rates of interest. These notes are callable by the issuers.

Notes to the Consolidated Financial Statements

8. Accounts Payable and Accrued Liabilities

	2001	2000
Trade accounts payable	\$ 62,363	\$ 42,444
Accrued liabilities	56,818	73,335
Accrued interest payable	29,329	29,183
	\$ 150,710	\$ 144,962

9. Long-Term Debt

9. Long-Term Debt					2001	2000
Sinking fund debentures outstanding						
Term	Maturity Date	Rate of Interest	Series	By-law No.		
1992-2002	Feb. 19	8.875	VM	5838-92	\$ 100,000	\$ 100,000
1988-2003 (1)	Feb. 23	10.250	VF	4783-88	100,000	100,000
1993-2003	May 19	8.500	VP	6163-93	125,000	125,000
1991-2004	Nov. 01	10.000	VL	5779-91	38,275	38,275
1990-2005	Oct. 01	11.700	VI	5507-90	68,093	68,093
1999-2009	Feb. 02	5.350	VV	7368-99	50,000	50,000
1989-2009	Dec. 14	10.000	VH	5286-89	100,000	100,000
1993-2013	Feb. 11	9.375	VN	6090-93	100,000	100,000
1994-2014	Jan. 20	8.000	VQ	6300-94	100,000	100,000
1995-2015	May 12	9.125	VR	6620-95	100,000	100,000
1997-2017	Nov. 17	6.250	VU	7000-97	50,000	50,000
1999-2029	Feb. 02	5.900	VW	7369-99	30,000	30,000
2000-2029	Feb. 02	5.900	VW	7582-00	30,000	30,000
					991,368	991,368
Equity in Sinking Fund					(403,865)	(353,101)
Net sinking fund debentures outstanding					585,503	638,267
Other long term debt outstanding						
Serial and installment debt issued by the City with varying maturities up to 2007 and a weighted average interest rate of 5.69% (2000: 5.39%)					71,940	80,650
Mortgages and bank loans incurred primarily by Winnipeg Enterprises Corporation and Winnipeg Housing Rehabilitation Corporation with varying maturities up to 2020 and a weighted average interest rate of 9.02% (2000: 9.00%)					44,695	41,881
Capital lease obligations (Note 9b)					26,785	26,615
					\$ 728,923	\$ 787,419

(1) retractable issue

Notes to the Consolidated Financial Statements

Consolidated Financial

5. Capital Assets

	2000
Tax-supported municipal structures, facilities and initiatives:	
Streets and bridges	\$ 289,274
Core area initiative and other special projects	175,628
Civic accommodations, equipment and other property	106,963
Land drainage sewers	72,979
Culture and recreation facilities	63,497
Protection facilities	36,302
Public transportation vehicles and facilities	32,074
Health and social development facilities	7,481
Local improvements	9,824
	794,022
Self supporting entities:	
Hydro generation and distribution facilities	187,465
Sewage collection, treatment and disposal facilities	110,246
Water supply and distribution facilities	62,392
Solid waste collection and disposal facilities	8,616
	368,719
	\$ 1,162,741

Capital assets are stated at cost less accumulated amortization. Accumulated amortization at December 31, 2001 is \$1,047.4 million (2000-\$982.4 million).

6. Deferred Charges

	2000
Deferred debenture discounts	\$ 2,643
Other deferred charges	797
	\$ 3,440

Deferred charges are stated net of accumulated amortization.

7. Notes Payable

	2000
Civic Employees' Pension Plan	\$ 105,800
The Sinking Fund Trustees of The City of Winnipeg	28,698
Winnipeg Police Pension Plan	37,025
Civic Employees' Group Life Insurance Plan	5,845
Council Members' (Pre-1972) Pension Plan	9
	\$ 177,377

The City finances short-term borrowing requirements from related entities at market rates of interest. These notes are callable by the issuers.

Notes to the Consolidated Financial Statements

8. Accounts Payable and Accrued Liabilities

	2000
Trade accounts payable	\$ 42,444
Accrued liabilities	73,335
Accrued interest payable	29,183
	\$ 144,962

9. Long-Term Debt

Sinking fund debentures outstanding

Term	Maturity Date	Rate of Interest	Series	By-law No.		
1992-2002	Feb. 19	8.875	VM	5838/92	\$	100,000
1988-2003 (1)	Feb. 23	10.250	VF	4783/88		100,000
1993-2003	May 19	8.500	VP	6163/93		125,000
1991-2004	Nov. 01	10.000	VL	5779/91		38,275
1990-2005	Oct. 01	11.700	VI	5507/90		68,093
1999-2009	Feb. 02	5.350	VV	7368/99		50,000
1989-2009	Dec. 14	10.000	VH	5286/89		100,000
1993-2013	Feb. 11	9.375	VN	6090/93		100,000
1994-2014	Jan. 20	8.000	VQ	6300/94		100,000
1995-2015	May 12	9.125	VR	6620/95		100,000
1997-2017	Nov. 17	6.250	VU	7000/97		50,000
1999-2029	Feb. 02	5.900	VW	7369/99		30,000
2000-2029	Feb. 02	5.900	VW	7582/00		30,000

991,368

Equity in Sinking Fund

(353,101)

Net sinking fund debentures outstanding

638,267

Other long-term debt outstanding

Serial and installment debt issued by the City with varying maturities up to 2007 and a weighted average interest rate of 5.69% (2000-5.39%)

80,656

Mortgages and bank loans incurred primarily by Winnipeg Enterprises Corporation and Winnipeg Housing Rehabilitation Corporation with varying maturities up to 2020 and a weighted average interest rate of 9.02% (2000-9.00%)

41,881

Capital lease obligations (Note 9b)

26,615

\$ 787,419

(1) retractable issue

Notes to the Consolidated Financial Statements

Consolidated Financial

9. Long-Term Debt (continued)

Long-term debt to be retired over the next five years:

	2002	2003	2004	2005	2006	2007+
Sinking fund debentures	\$ 100,000	\$ 225,000	\$ 38,275	\$ 68,093	\$ —	\$ 560,000
Other long-term debt	10,883	11,776	12,066	12,794	13,152	82,749
	\$ 110,883	\$ 236,776	\$ 50,341	\$ 80,887	\$ 13,152	\$ 642,749

a) **The City of Winnipeg Act** requires the City to make annual payments to The Sinking Fund. The City is currently paying three percent or greater on its outstanding sinking fund debentures. These annual payments are invested by The Sinking Fund for the retirement of the debenture issues on their maturity dates.

Sinking fund debenture issues provide for full sinking fund at maturity except for the following debentures which, as a result of the levies being provided and the terms of the issues, will have sinking fund deficiencies requiring the issues to be refinanced at maturity.

Year of Maturity	Debenture By-Law	Issued Amount	Maturity Shortfall
2002	5838/92	\$ 100,000	\$ 43,400
2003	6163/93	125,000	55,124
2009	7368/99	50,000	30,981

The following sinking fund debentures matured in 2000 and had sinking fund deficiencies. As anticipated, they will be refinanced at a later date.

Year of Maturity	Debenture By-Law	Issued Amount	Amount to be Refinanced
2000	5552/90	\$ 65,000	\$ 38,316
2000	5553/90	65,000	25,467

b) Future minimum lease payments under the capital leases together with the balance of the obligation due under the capital leases are as follows:

	Capital Leases
2002	\$ 3,546
2003	3,220
2004	3,317
2005	3,015
2006	3,020
Thereafter	43,545
Total future minimum lease payments	59,663
Amount representing interest at a weighted average rate of 9.43%	(32,878)
Capital lease liability	\$ 26,785

Notes to the Consolidated Financial Statements

Statements

9. Long-Term Debt (continued)

c) Certain City of Winnipeg debentures are held as investments in the two pension plans for the employees of the City, as follows:

		2000
Civic Employees' Pension Plan	\$	42,065
Winnipeg Police Pension Plan		5,200
	\$	47,265

d) Interest on long-term debt recorded in the Statement of Operations in 2001 is \$97.2 million (2000-\$110.3 million).

e) Cash paid for interest during the year is \$97.1 million (2000-\$119.9 million).

10. Other Liabilities

Deferred:

Other deferred liabilities	\$	24,571
Developer deposits		6,308
Development agreement paybacks		2,312
Provision for steam plant demolition		858
		34,049
Environmental liabilities (Note 19a)		8,000
	\$	42,049



Notes to the Consolidated Financial Statements

9. Long-Term Debt (continued)

c) Certain City of Winnipeg debentures are held as investments in the two pension plans for the employees of the City, as follows:

	2001	2000
Civic Employees' Pension Plan	\$ 32,275	\$ 42,065
Winnipeg Police Pension Plan	4,000	5,200
	\$ 36,275	\$ 47,265

d) Interest on long term debt recorded in the Statement of Operations in 2001 is \$97.2 million (2000: \$110.3 million).

e) Cash paid for interest during the year is \$97.1 million (2000: \$119.9 million).

10. Other Liabilities

	2001	2000
Deferred:		
Other deferred liabilities	\$ 26,571	\$ 24,571
Developer deposits	6,316	6,308
Development agreement paybacks	2,238	2,312
Provision for steam plant demolition	703	858
	35,828	34,049
Environmental liabilities (Note 12a)	8,000	8,000
	\$ 43,828	\$ 42,049

Notes to the Consolidated Financial Statements

11. Retirement Allowance, Vacation and Other Liabilities

	2001	2000
Retirement allowance accrued obligation	\$ 66,821	\$ 65,165
Unamortized net actuarial loss	(1,503)	(2,134)
Retirement allowance accrued liability	65,318	63,031
Vacation	35,118	33,897
Other:		
Councillors' Pension Plan established under By-law 3553-83 (Note 20(c))	4,100	4,100
Workers' Compensation	800	800
Retirement allowance, vacation and other liabilities	105,336	101,828
Accrued liabilities recorded in the Funds' financial statements	(8,742)	(5,225)
Unfunded retirement allowance, vacation and other liabilities (Note 14)	\$ 96,594	\$ 96,603

a) Under the retirement allowance plan (including certain sick leave credits) for the majority of employees of the City, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). This liability was actuarially calculated as at December 31, 2001. The liability excludes net actuarial losses amortized on a straight-line basis over 12.7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

b) Employees accrue vacation credits, which together with unused holidays from previous years, generally become a charge to operations in the year that they are earned.

c) The City operates its workers compensation program on a self-insured basis. In lieu of paying premiums to the Workers Compensation Board of Manitoba, the City pays actual costs incurred plus an administration charge. The City has a responsibility regarding future costs (such as compensation, rehabilitation, medical aid, pension awards and administration) on existing claims and incurred but not reported claims.

12. Commitments and Contingencies

The following significant commitments and contingencies existed at December 31, 2001:

a) The City has entered into a number of lease agreements, mainly for the lease of accommodations for civic offices and office equipment. Future minimum lease payments are as follows:

	Operating Leases
2002	\$ 3,590
2003	3,130
2004	1,841
2005	1,096
2006	900
Thereafter	520

b) The City is defendant in six significant lawsuits as at December 31, 2001. At this time the ultimate liability is not determinable. Other contingent liabilities consisting of routine claims for street and sidewalk accidents, property damage, etc., will be accounted for as revenue or expense in the period in which the settlement occurs.

c) The City has also unconditionally guaranteed the payment of principal and interest on capital improvement loans for several community centres. The outstanding balance on these loans as at December 31, 2001 is \$9.5 million (2000: \$8.5 million).

Notes to the Consolidated Financial Statements

13. Reserves

Consolidated reserves consist of the following restricted reserves established under section 338 of **The City of Winnipeg Act**:

	2001	2000
Capital Reserves:		
Water Treatment Reserve	\$ 33,027	\$ 39,493
Environmental Projects Reserve	25,704	18,259
Pointe du Bois Generating Station Redevelopment Reserve	22,843	19,447
Combined Sewer Renewal Reserve	20,486	16,958
Equipment Replacement Reserve	10,107	23,695
Transit Bus Replacement Reserve	7,188	6,142
Watermain Renewal Reserve	7,089	7,901
Aqueduct Rehabilitation Reserve	4,986	5,446
Library Reserve	2,741	2,227
Other	2,705	2,383
Golf Course Reserve	1,573	1,460
Special Purpose Reserves:		
General Purpose Reserve	29,457	
Insurance Reserve	9,405	9,317
Perpetual Maintenance Fund - Brookside Cemetery	8,468	7,810
Snow Clearing Reserve	6,749	4,603
Heritage Investment Reserve	6,379	4,471
Land Operating Reserve	3,877	6,083
Commitment Reserve	3,599	7,073
Workers Compensation Reserve	4,428	4,236
Other	3,822	3,840
Economic Development Investment Reserve	3,535	3,257
Housing Rehabilitation Investment Reserve	2,805	3,320
Contributions in Lieu of Land Dedication Reserve	1,927	2,060
Pension Surplus Reserve	—	33,398
Pension Stabilization Reserve	—	9,530
Stabilization Reserves:		
Fiscal Stabilization Reserve	32,538	24,761
Mill Rate Stabilization Reserve	23,359	6,443
	302,905	273,649
Other Reserves:		
Winnipeg Housing Rehabilitation Corporation Reserve	2,027	1,970
Winnipeg Enterprises Corporation Reserve for Major Improvements	823	357
Retirement Allowance Reserve	—	2,988
	\$ 305,755	\$ 278,964

Notes to the Consolidated Financial Statements

Consolidated Financial

11. Retirement Allowance, Vacation and Other Liabilities

	2000
Retirement allowance—accrued obligation	\$ 65,165
Unamortized net actuarial loss	(2,134)
Retirement allowance—accrued liability	63,031
Vacation	33,897
Other:	
Councillors' Pension Plan established under By-law 3553/83 (Note 20c(ii))	4,100
Workers' Compensation	800
Retirement allowance, vacation and other liabilities	101,828
Accrued liabilities recorded in the Funds' financial statements	(5,225)
Unfunded retirement allowance, vacation and other liabilities (Note 14)	\$ 96,603

a) Under the retirement allowance plan (including certain sick leave credits) for the majority of employees of the City, unused sick leave credits accumulate and employees with specified minimum service requirements become entitled to a cash payment upon retirement, death or termination of service under certain conditions (not resignation). This liability was actuarially calculated as at December 31, 2001. The liability excludes net actuarial losses amortized on a straight-line basis over 12.7 years, which represents the expected average remaining service life of the employee group. Amortization is calculated beginning in the year following the year of occurrence of the actuarial gains or losses.

b) Employees accrue vacation credits, which together with unused holidays from previous years, generally become a charge to operations in the year that they are earned.

c) The City operates its workers compensation program on a self-insured basis. In lieu of paying premiums to the Workers Compensation Board of Manitoba, the City pays actual costs incurred plus an administration charge. The City has a responsibility regarding future costs (such as compensation, rehabilitation, medical aid, pension awards and administration) on existing claims and incurred but not reported claims.

12. Commitments and Contingencies

The following significant commitments and contingencies existed at December 31, 2001:

a) The City has entered into a number of lease agreements mainly for the lease of accommodations for civic offices and office equipment. Future minimum lease payments are as follows:

	Operating Leases
2002	\$ 3,590
2003	3,130
2004	1,841
2005	1,096
2006	900
Thereafter	520

b) The City is defendant in six significant lawsuits as at December 31, 2001. At this time the ultimate liability is not determinable. Other contingent liabilities consisting of routine claims for street and sidewalk accidents, property damage, etc. will be accounted for as revenue or expense in the period in which the settlement occurs.

c) The City has also unconditionally guaranteed the payment of principal and interest on capital improvement loans for several community centres. The outstanding balance on these loans as at December 31, 2001 is \$9.5 million (2000—\$8.5 million).

Notes to the Consolidated Financial Statements

Statements

13. Reserves

Consolidated reserves consist of the following restricted reserves established under section 338 of **The City of Winnipeg Act**:

	2000
Capital Reserves:	
Water Treatment Reserve	\$ 39,493
Environmental Projects Reserve	18,259
Pointe du Bois Generating Station Redevelopment Reserve	19,447
Combined Sewer Renewal Reserve	16,958
Equipment Replacement Reserve	23,695
Transit Bus Replacement Reserve	6,142
Watermain Renewal Reserve	7,901
Aqueduct Rehabilitation Reserve	5,446
Library Reserve	2,227
Other	2,383
Golf Course Reserve	1,460
Special Purpose Reserves:	
General Purpose Reserve	—
Insurance Reserve	9,347
Perpetual Maintenance Fund—Brookside Cemetery	7,810
Snow Clearing Reserve	4,603
Heritage Investment Reserve	4,471
Land Operating Reserve	6,083
Commitment Reserve	7,073
Workers Compensation Reserve	4,236
Other	3,840
Economic Development Investment Reserve	3,257
Housing Rehabilitation Investment Reserve	3,326
Contributions in Lieu of Land Dedication Reserve	2,060
Pension Surplus Reserve	33,398
Pension Stabilization Reserve	9,530
Stabilization Reserves:	
Fiscal Stabilization Reserve	24,761
Mill Rate Stabilization Reserve	6,443
	273,649
Other Reserves:	
Winnipeg Housing Rehabilitation Corporation Reserve	1,970
Winnipeg Enterprises Corporation—Reserve for Major Improvements	357
Retirement Allowance Reserve	2,988
	\$ 278,964

Notes to the Consolidated Financial Statements

Consolidated Financial

14. Surplus

Consolidated surplus consists of the following individual fund surpluses/(deficits):

	2000
Appropriated	
Equity in Capital Assets	\$ 221,039
Sewage Disposal System	10,262
Waterworks System	3,394
General Capital Fund	1,101
	235,796
Unappropriated	
Winnipeg Hydro	39,876
Sewage Disposal System	31,627
Waterworks System	11,699
Solid Waste Disposal	11,964
The Sinking Fund Trustees of The City of Winnipeg	6,119
General Revenue Enterprises Fund	3,294
Other	(526)
	104,053
Unfunded	
Environmental liabilities	(7,000)
Retirement allowance, vacation and other liabilities (Note 11)	(96,603)
	(103,603)
	\$ 236,246

Included in Municipal Position, comprising Reserves (Note 13) and the above fund surplus is Equity in Physical Assets which is determined as follows:

	2000
Physical assets	\$ 1,183,313
Long-term debt (Note 9)	(787,419)
	395,894
Other surplus balances	119,316
Municipal Position	\$ 515,210

Notes to the Consolidated Financial Statements

15. Taxation

	2000
Municipal and school property taxes	\$ 716,467
Payments-in-lieu of property (municipal and school) and business taxes	53,353
	769,820
Payments to Province and school divisions	(380,905)
Net property taxes and payments-in-lieu of property and business taxes available for municipal purposes	388,915
Business tax and license-in-lieu of business tax	55,974
Local improvement and frontage levies	27,504
Electricity and gas sales taxes	13,725
Amusement tax and mobile home license	2,216
	\$ 488,334

The property tax roll includes school taxes of \$367.1 million (2000-\$353.0 million) assessed and levied on behalf of the Province of Manitoba and school divisions. Payments-in-lieu of school taxes assessed in 2001 totalled \$28.3 million (2000-\$28.0 million) and are treated the same as school taxes. School taxes and payments-in-lieu of school taxes are remitted to the Province and school divisions based upon a formula and schedule set by the Province of Manitoba. If property taxes are reduced due to an assessment reduction the City is required by legislation to fund the repayment of both the municipal and school taxes with applicable interest.

16. Sales of Services and Regulatory Fees

	2000
Water sales and sewage services	\$ 143,569
Electricity sales	118,897
Other sales of goods and services	75,085
Transit fares	46,788
Regulatory fees	25,135
	\$ 409,474

Notes to the Consolidated Financial Statements

14. Surplus

Consolidated surplus consists of the following individual fund surpluses/(deficits):

	2001	2000
Appropriated		
Equity in Capital Assets	\$ 246,239	\$ 221,039
Sewage Disposal System	17,141	10,262
Waterworks System	3,909	3,394
General Capital Fund	1,129	1,101
	268,418	235,796
Unappropriated		
Winnipeg Hydro	37,035	39,876
Sewage Disposal System	26,403	31,627
Waterworks System	18,907	11,699
Solid Waste Disposal	13,806	11,964
The Sinking Fund Trustees of The City of Winnipeg	4,355	6,119
General Revenue Enterprises Fund	3,834	3,294
Other	(88)	(526)
	104,252	104,053
Unfunded		
Environmental liabilities	(5,000)	(7,000)
Retirement allowance, vacation and other liabilities (Note 11)	(96,594)	(96,603)
	(102,594)	(103,603)
	\$ 270,076	\$ 236,246

included in Municipal Position, comprising Reserves (Note 13) and the above fund surplus is Equity in Physical Assets which is determined as follows:

	2001	2000
Physical assets	\$ 1,152,157	\$ 1,183,313
Long term debt (Note 9)	(728,923)	(787,419)
	423,234	395,894
Other surplus balances	152,597	119,316
Municipal Position	\$ 575,831	\$ 515,210

Notes to the Consolidated Financial Statements

15. Taxation

	2001	2000
Municipal and school property taxes	\$ 722,554	\$ 716,467
Payments in lieu of property (municipal and school) and business taxes	51,918	53,353
	774,472	769,820
Payments to Province and school divisions	(393,404)	(380,905)
Net property taxes and payments in lieu of property and business taxes available for municipal purposes	379,068	388,915
Business tax and license in lieu of business tax	55,095	55,974
Local improvement and frontage levies	28,108	27,504
Electricity and gas sales taxes	15,052	13,725
Amusement tax and mobile home license	2,651	2,216
	\$ 480,974	\$ 488,334

The property tax roll includes school taxes of \$367.1 million (2000: \$353.0 million) assessed and levied on behalf of the Province of Manitoba and school divisions. Payments in lieu of school taxes assessed in 2001 totalled \$28.3 million (2000: \$28.0 million) and are treated the same as school taxes. School taxes and payments in lieu of school taxes are remitted to the Province and school divisions based upon a formula and schedule set by the Province of Manitoba. If property taxes are reduced due to an assessment reduction the City is required by legislation to fund the repayment of both the municipal and school taxes with applicable interest.

16. Sales of Services and Regulatory Fees

	2001	2000
Water sales and sewage services	\$ 143,489	\$ 143,569
Electricity sales	119,988	118,897
Other sales of goods and services	80,568	75,085
Transit fares	48,000	46,788
Regulatory fees	24,363	25,135
	\$ 416,408	\$ 409,474

Notes to the Consolidated Financial Statements

17. Government Grants and Transfers

	2001	2000
Province of Manitoba grants:		
Tax sharing	\$ 47,514	\$ 44,824
Ambulance, libraries and other	23,100	27,526
Unconditional	19,888	19,588
Transit	18,334	16,339
Support	7,618	7,492
Services transferred to the Province	(23,500)	(23,500)
	92,474	92,269
Government of Canada grants:		
Canada Mortgage and Housing Corporation	182	181
Dutch elm disease program, job training and other	85	80
	267	261
	\$ 92,741	\$ 92,530

18. Expenses by Object

	2001	2000
Salaries and benefits	\$ 437,557	\$ 435,028
Goods and services	340,003	299,586
Debt interest	97,200	110,300
Debt repayment	79,053	79,012
Grants and other expenses	33,787	22,950
	\$ 987,600	\$ 946,876

19. Measurement Uncertainty

a) Environmental Liabilities

In 2001, the City has accrued an overall liability for environmental matters in the amount of \$8.0 million (2000: \$8.0 million) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Winnipeg Hydro Cost Sharing Agreement

Under a cost sharing agreement with Manitoba Hydro, Winnipeg Hydro is supplied with the power required in excess of its generating capacity. The agreement term ended March 31, 2000. Subsequent to December 31, 2001, Manitoba Hydro made an offer to acquire Winnipeg Hydro as set out in Note 22 to the financial statements. If the sale is not finalized, the value of the electricity purchased from Manitoba Hydro is subject to further negotiations.

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations

a) Civic Employees' Pension Plan

i) Actuarial Valuation

An actuarial valuation of both the Regular Account and the Supplementary Account under the Civic Employees' Pension Plan was made as of December 31, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Employee Benefits Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long term market conditions. This valuation was extrapolated to December 31, 2001 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

	2001	2000
Pension fund assets, at actuarial value	\$ 2,343,179	\$ 2,215,728
Accrued pension obligations	\$ 1,904,696	\$ 1,815,291

Funds from the Supplementary Account may only be used to provide cost-of-living adjustment to pensioners. The actuarial value of net assets will be used to fund cost of living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost of living increases for retirees and current employees, as follows:

	2001	2000
Cost of living adjustments already granted	\$ 122,670	\$ 110,113
Future cost of living increases	380,616	364,929
	\$ 503,286	\$ 475,042

The most recent actuarial valuation for funding purposes as at December 31, 2000, disclosed an actuarial surplus in the Regular Account of \$298 million which has yet to be allocated and a contingency reserve in the amount of \$89 million.

ii) Restructuring Towards Joint Trusteeship

On December 15, 1999, City Council and all of the unions representing The City of Winnipeg employees in the Plan approved the restructuring of the Employee Benefits Program, which includes the Civic Employees' Pension Plan. The Program is expected to become jointly trustee, with current and future surpluses or deficits being shared equally between the City and Plan members. The City's share of the surplus will be available to finance contribution holidays or reductions of its contributions. The Plan members' share of the surplus will be available to improve benefits or reduce Plan members' contributions. The proposed restructuring of the Program required legislative amendments to **The City of Winnipeg Act**, in 2001, will require court approval, and is subject to the approval of regulatory authorities, which approvals are yet to be received.

Under the restructured Program, benefits are expected to be improved, with retroactive application to January 1, 2000, utilizing approximately \$157 million of the Plan members share of the actuarial surplus disclosed in the December 31, 1998 actuarial valuation of the Program. The benefits have already been substantially improved pursuant to the Interim Arrangement described on the following page.

Under the restructured Program, the contribution rate for The City of Winnipeg and participating employers will not exceed 8% of pensionable earnings, whereas under the existing provisions, Plan members contribute at the required rate and the employer is responsible for the balance of costs as determined by the Plan's actuary.

Notes to the Consolidated Financial Statements

Consolidated Financial

17. Government Grants and Transfers

	2000
Province of Manitoba grants:	
Tax sharing	\$ 44,824
Ambulance, libraries and other	27,526
Unconditional	19,588
Transit	16,339
Support	7,492
Services transferred to the Province	(23,500)
	92,269
Government of Canada grants:	
Canada Mortgage and Housing Corporation	181
Dutch elm disease program, job training and other	80
	261
	\$ 92,530

18. Expenses by Object

	2000
Salaries and benefits	\$ 435,028
Goods and services	299,586
Debt interest	110,300
Debt repayment	79,012
Grants and other expenses	22,950
	\$ 946,876

19. Measurement Uncertainty

a) Environmental Liabilities

In 2001, the City has accrued an overall liability for environmental matters in the amount of \$8.0 million (2000-\$8.0 million) which represents management's best estimate of this liability. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Winnipeg Hydro Cost Sharing Agreement

Under a cost sharing agreement with Manitoba Hydro, Winnipeg Hydro is supplied with the power required in excess of its generating capacity. The agreement term ended March 31, 2000. Subsequent to December 31, 2001, Manitoba Hydro made an offer to acquire Winnipeg Hydro as set out in Note 22 to the financial statements. If the sale is not finalized, the value of the electricity purchased from Manitoba Hydro is subject to further negotiations.

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations

a) Civic Employees' Pension Plan

i) Actuarial Valuation

An actuarial valuation of both the Regular Account and the Supplementary Account under the Civic Employees' Pension Plan was made as of December 31, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Employee Benefits Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long-term market conditions. This valuation was extrapolated to December 31, 2001 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

		2000
Pension fund assets, at actuarial value	\$	2,215,728
Accrued pension obligations	\$	1,815,291

Funds from the Supplementary Account may only be used to provide cost-of-living adjustment to pensioners. The actuarial value of net assets will be used to fund cost-of-living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost-of-living increases for retirees and current employees, as follows:

		2000
Cost-of-living adjustments already granted	\$	110,113
Future cost-of-living increases		364,929
	\$	475,042

The most recent actuarial valuation for funding purposes as at December 31, 2000, disclosed an actuarial surplus in the Regular Account of \$298 million which has yet to be allocated and a contingency reserve in the amount of \$89 million.

ii) Restructuring Towards Joint Trusteeship

On December 15, 1999, City Council and all of the unions representing The City of Winnipeg employees in the Plan approved the restructuring of the Employee Benefits Program, which includes the Civic Employees' Pension Plan. The Program is expected to become jointly trustee, with current and future surpluses or deficits being shared equally between the City and Plan members. The City's share of the surplus will be available to finance contribution holidays or reductions of its contributions. The Plan members' share of the surplus will be available to improve benefits or reduce Plan members' contributions. The proposed restructuring of the Program required legislative amendments to **The City of Winnipeg Act**, in 2001, will require court approval, and is subject to the approval of regulatory authorities, which approvals are yet to be received.

Under the restructured Program, benefits are expected to be improved, with retroactive application to January 1, 2000, utilizing approximately \$157 million of the Plan members share of the actuarial surplus disclosed in the December 31, 1998 actuarial valuation of the Program. The benefits have already been substantially improved pursuant to the Interim Arrangement described on the following page.

Under the restructured Program, the contribution rate for The City of Winnipeg and participating employers will not exceed 8% of pensionable earnings, whereas under the existing provisions, Plan members contribute at the required rate and the employer is responsible for the balance of costs as determined by the Plan's actuary.

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations (continued)

iii) Interim Arrangement

To facilitate the implementation of certain benefit improvements to Plan members and provide access to contribution holidays to the City, on November 22, 2000 City Council and all of the unions representing employees in the Employee Benefit Program approved an amendment to the Program in accordance with the terms of an Interim Arrangement effective January 1, 2000.

Under the Interim Arrangement, the Plan members were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of \$150 million to finance benefit improvements. The residual portion of the allocation not yet used for benefit improvements is accounted for in a newly created Plan Members' Account.

In the event Joint Trusteeship is not accomplished, the benefit improvements related to future service would cease on December 31, 2002, and benefits would accrue thereafter based on the former plan provisions, unless alternate agreements are reached.

The City and participating employers were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of \$150 million to finance future contribution holidays below matching levels and refund of 1998 and 1999 employer contributions. The portion of this allocated surplus which remains unutilized is accounted for in the City Account.

To the extent that the City and participating employers contribute to the Plan and the Civic Employees' Long Term Disability Plan at less than matching levels for any year, transfers in the amount of the difference will be made to the Regular and Supplementary Accounts as required to reflect this contribution subsidy.

In both 2001 and 2000, the City made no contributions to the Civic Employees' Pension Plan.

The balance of the City Account as at December 31, 2001, is \$114 million (2000-\$131 million).

b) Winnipeg Police Pension Plan

i) Actuarial Valuation

An actuarial valuation of both the Regular Account and the Supplementary Account under the Winnipeg Police Pension Plan was made as of December 31, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Police Pension Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long-term market conditions. This valuation was extrapolated to December 31, 2001 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro-rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

		2000
Pension fund assets, at actuarial value		\$ 549,950
Accrued pension obligations		\$ 431,966

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations (continued)

Funds from the Supplementary Account may only be used to provide cost-of-living adjustment to pensioners. The actuarial value of net assets will be used to fund cost-of-living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost-of-living increases for retirees and current employees, as follows:

		2000
Cost-of-living adjustments already granted	\$	24,922
Future cost-of-living increases		52,865
	\$	77,787

The most recent actuarial valuation of the Winnipeg Police Pension Plan for funding purposes, as at December 31, 2000, disclosed an actuarial surplus in the Regular Account of \$117 million. The surplus has not been allocated, pending the approval of a specific provision to allocate surplus arising subsequent to January 1, 1995. Negotiations are taking place concerning the allocation of this surplus.

ii) Interim Arrangement

On April 18, 2001, the Winnipeg Police Pension Board filed with the Canada Customs and Revenue Agency and the Manitoba Pension Commission the actuarial report as at December 31, 1999 which indicated that the Plan had an "excess surplus" of \$5 million as determined in accordance with subsection 147.2(2) of the **Income Tax Act**. Under the **Income Tax Act** the employer must cease making contributions to the plan until the excess surplus is eliminated.

In order to eliminate the excess surplus, on March 21, 2001, City Council along with the Winnipeg Police Association and Winnipeg Police Senior Officers Association approved an interim agreement and change to the Plan By-law 6253/93 whereby, the City ceased contributions to the Plan for ten bi-weekly pay periods effective January 1, 2001 and an equal benefit was provided to the plan members through a transfer from the Regular Account to the Supplementary Account in the amount of \$2 million to increase the funding of future cost-of-living adjustments.

In 2001, contributions made by the City to the Winnipeg Police Pension Plan was \$3.4 million (2000-\$5.0 million).

c) Councillors' Pension Plan

i) Pension Plan Established Under By-law 3553/83

On November 2, 1992, the pension plan provided to members of Council was terminated, thereby not allowing new members to be accepted to the plan and current members being entitled to receive retirement benefits once they become eligible. In 2001, the City paid out \$0.3 million (2000-\$0.3 million).

ii) Pension Plan Established Under By-law 7869/01

On November 22, 2000, City Council adopted the policy that effective January 1, 2001, a Council Pension Plan be created for all members of Council for The City of Winnipeg which is consistent with the Civic Employees' Pension Plan.

d) Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Pension Plan and the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan respectively. These plans provide life insurance coverage for members while employed and coverage can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance coverage. An actuarial valuation indicated that this post-retirement liability is fully funded.

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations (continued)

iii) Interim Arrangement

To facilitate the implementation of certain benefit improvements to Plan members and provide access to contribution holidays to the City, on November 22, 2000 City Council and all of the unions representing employees in the Employee Benefit Program approved an amendment to the Program in accordance with the terms of an Interim Arrangement effective January 1, 2000.

Under the Interim Arrangement, the Plan members were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of \$150 million to finance benefit improvements. The residual portion of the allocation not yet used for benefit improvements is accounted for in a newly created Plan Members' Account.

In the event joint Trusteeship is not accomplished, the benefit improvements related to future service would cease on December 31, 2002, and benefits would accrue thereafter based on the former plan provisions, unless alternate agreements are reached.

The City and participating employers were provided with an interim allocation of actuarial surplus, as determined at December 31, 1998, in the amount of \$150 million to finance future contribution holidays below matching levels and refund of 1998 and 1999 employer contributions. The portion of this allocated surplus which remains unutilized is accounted for in the City Account.

To the extent that the City and participating employers contribute to the Plan and the Civic Employees' Long Term Disability Plan at less than matching levels for any year, transfers in the amount of the difference will be made to the Regular and Supplementary Accounts as required to reflect this contribution subsidy.

In both 2001 and 2000, the City made no contributions to the Civic Employees' Pension Plan.

The balance of the City Account as at December 31, 2001, is \$114 million (2000-\$131 million).

iv) Winnipeg Police Pension Plan

a) Actuarial Valuation

An actuarial valuation of both the Regular Account and the Supplementary Account under the Winnipeg Police Pension Plan was made as of December 31, 2000 by Western Compensation & Benefits Consultants. The assumptions used by the actuary were approved by the Police Pension Board as best estimates of possible future experience for purposes of preparing this note to the financial statements. The demographic assumptions were chosen after a detailed analysis of past experience. The economic assumptions reflect expected long term market conditions. This valuation was extrapolated to December 31, 2001 to determine the actuarial present value of accrued pension benefits disclosed below.

For the Regular Account, the actuarial present value of accrued benefits was determined using the projected benefit method pro rated on services. The present value of the accrued pension obligations and the pension fund assets available to meet these obligations are as follows:

	2001	2000
Pension fund assets, at actuarial value	\$ 580,938	\$ 549,950
Accrued pension obligations	\$ 455,258	\$ 431,966

Notes to the Consolidated Financial Statements

20. Pension Costs and Obligations (continued)

Funds from the Supplementary Account may only be used to provide cost-of-living adjustment to pensioners. The actuarial value of net assets will be used to fund cost-of-living adjustments already granted to pensions in payment plus future refunds of contributions to the Supplementary Account and future cost of living increases for retirees and current employees, as follows:

	2001	2000
Cost of living adjustments already granted	\$ 28,993	\$ 24,922
Future cost of living increases	56,007	52,865
	\$ 85,000	\$ 77,787

The most recent actuarial valuation of the Winnipeg Police Pension Plan for funding purposes, as at December 31, 2000, disclosed an actuarial surplus in the Regular Account of \$117 million. The surplus has not been allocated, pending the approval of a specific provision to allocate surplus arising subsequent to January 1, 1995. Negotiations are taking place concerning the allocation of this surplus.

iii) Interim Arrangement

On April 18, 2001, the Winnipeg Police Pension Board filed with the Canada Customs and Revenue Agency and the Manitoba Pension Commission the actuarial report as at December 31, 1999 which indicated that the Plan had an "excess surplus" of \$5 million as determined in accordance with subsection 147.2(2) of the **Income Tax Act**. Under the **Income Tax Act** the employer must cease making contributions to the plan until the excess surplus is eliminated.

In order to eliminate the excess surplus, on March 21, 2001, City Council along with the Winnipeg Police Association and Winnipeg Police Senior Officers Association approved an interim agreement and change to the Plan By-law 6253/93 whereby, the City ceased contributions to the Plan for ten bi-weekly pay periods effective January 1, 2001 and an equal benefit was provided to the plan members through a transfer from the Regular Account to the Supplementary Account in the amount of \$2 million to increase the funding of future cost of living adjustments.

In 2001, contributions made by the City to the Winnipeg Police Pension Plan was \$3.4 million (2000: \$5.0 million).

c) Councillors' Pension Plan

i) Pension Plan Established Under By-law 3553/83

On November 2, 1992, the pension plan provided to members of Council was terminated, thereby not allowing new members to be accepted to the plan and current members being entitled to receive retirement benefits once they become eligible. In 2001, the City paid out \$0.3 million (2000: \$0.3 million).

ii) Pension Plan Established Under By-law 7869/01

On November 22, 2000, City Council adopted the policy that effective January 1, 2001, a Council Pension Plan be created for all members of Council for The City of Winnipeg which is consistent with the Civic Employees' Pension Plan.

d) Group Life Insurance Plan

Employees of the City who are members of the Civic Employees' Pension Plan and the Winnipeg Police Pension Plan must become members of the Civic Employees' Group Life Insurance Plan and the Police Employees' Group Life Insurance Plan respectively. These plans provide life insurance coverage for members while employed and coverage can be continued into retirement at the employees' option. Plan members and the City share the cost of basic life insurance coverage. An actuarial valuation indicated that this post retirement liability is fully funded.

Notes to the Consolidated Financial Statements

Consolidated Financial

21. Property and Liability Insurance

The City purchases comprehensive insurance coverage for property and liability with a self-insured retention level of \$250 thousand per claim for most of the policies. The City has established an Insurance Reserve Fund that enables the City to carry a large self-insured retention level which mitigates the effect of poor claims experience in any given year. The balance of the reserve as at December 31, 2001, is \$9.4 million (2000-\$9.3 million).

22. Subsequent Event

Sale of Winnipeg Hydro

On February 27, 2002, City Council approved Manitoba Hydro's ("Hydro") proposal to purchase Winnipeg Hydro. The terms of the proposal include annual payments to the City of \$25 million per annum commencing in 2002 and for the next four years thereafter; \$20 million per annum for years six - nine; and \$16 million for years ten in perpetuity. Also, the City and Hydro have agreed to other considerations, including at no cost to the City, guaranteed annual energy cost savings in the amount of \$1 million through a combination of savings from participation in the Manitoba Hydro Power Smart programs and the provision of free Christmas lighting. The sale, if completed, is effective January 1, 2002, and it is anticipated the transaction will close on or before June 27, 2002.

23. Comparative Figures

During the year the City has accrued workers compensation and Councillors' pension plan (established under By-law 3553/83) liabilities amounting to \$4.9 million (2000-\$4.9 million) in the Statement of Financial Position and has applied this change in accounting policy on a retroactive basis. Accordingly, the opening surplus of 2001 and 2000 have been decreased by \$4.9 million.

Certain of the prior year's figures have either been restated or reclassified to conform with the current year's financial statement presentation.

Consolidated Financial Statements: Five-Year Review

Statements

As at December 31

('\$' amounts in thousands of dollars, except as noted)
(Unaudited)

	2000	1999	1998	1997
1. Population (as restated per Statistics Canada)	629,700	628,000	627,000	627,800
Unemployment rate (per Statistics Canada)				
Winnipeg	5.3%	5.8%	5.6%	7.3%
National Average	6.8%	7.6%	8.3%	9.1%
2. Average total employees	8,946	9,178	9,209	9,330
3. Number of taxable properties	192,792	189,519	188,969	187,708
Payments-in-lieu number of properties	898	834	845	829
4. Assessment				
Residential	17,641,656	17,486,001	17,325,214	17,064,597
Commercial and industrial	5,295,751	5,202,799	5,199,324	5,545,827
Farm and golf	108,943	113,363	118,976	154,676
	23,046,350	22,802,163	22,643,514	22,765,100
Assessment per capita (in dollars)	36,599	36,309	36,114	36,262
Commercial and industrial as a percentage of assessment	22.98%	22.82%	22.96%	24.36%
5. Tax arrears	48,333	47,332	39,687	43,411
6. Tax arrears per capita (in dollars)	76.76	75.37	63.30	69.15
7. Municipal mill rate	32.809	33.479	33.479	32.966
Percentage change adjusted for portioning and reassessment	-2.00%	-0.40%	1.13%	2.00%
8. Winnipeg consumer price index (annual average)				
1992 Base Year 100	118.10	115.30	113.00	111.50
Percentage increase	2.43%	2.04%	1.35%	2.11%
9. Consolidated revenue				
Taxation	488,334	485,786	479,652	477,030
User charges	409,474	402,968	392,884	381,164
Government transfers	92,530	96,318	140,825	148,111
Interest and other revenue	86,460	57,894	37,560	33,423
	1,076,798	1,042,966	1,050,921	1,039,728
10. Consolidated expenses by function				
Municipal operations	612,442	624,398	668,791	651,268
Public utilities	307,868	323,502	298,949	303,313
Civic corporations	26,566	26,576	25,263	24,863
	946,876	974,476	993,003	979,444
11. Growth in surplus for the year	31,577	26,634	21,226	27,374
Growth in reserves for the year	98,345	41,856	36,692	32,910

Notes: (In 1998, the City conducted a general reassessment which moved from a 1991 level of value to a 1996 level of value.)

(The 2001, 2000 and 1999 figures for Tax arrears include payments-in-lieu of taxes.)

(In 1999, the City began to accrue retirement allowance, environmental and vacation liabilities. Figures prior to 1998 have not been restated.)

(In 2001, the City began to accrue a Councillors' pension plan established under By-law 3553/83 and workers compensation. Figures prior to 1999 have not been restated.)

Consolidated Financial Statements: Five-Year Review

As at December 31

(All amounts in thousands of dollars, except as noted;
(Unaudited)

	2001	2000	1999	1998	1997
1. Population (as restated per Statistics Canada)	631,700	629,700	628,000	627,000	627,800
Unemployment rate (per Statistics Canada)					
Winnipeg	5.1%	5.3%	5.8%	5.6%	7.3%
National Average	7.1%	6.8%	7.6%	8.3%	9.1%
2. Average total employees	8,850	8,946	9,178	9,209	9,330
3. Number of taxable properties	198,252	192,792	189,519	188,969	187,708
Payments-in-lieu number of properties	859	898	834	845	829
4. Assessment					
Residential	\$ 16,950,454	17,641,656	17,486,001	17,325,214	17,064,597
Commercial and industrial	6,242,499	5,295,751	5,202,799	5,199,324	5,545,827
Farm and golf	106,799	108,943	113,363	118,976	154,676
	\$ 23,299,752	23,046,350	22,802,163	22,643,514	22,765,100
Assessment per capita (in dollars)	\$ 36,844	36,599	36,309	36,114	36,262
Commercial and industrial as a percentage of assessment	26.79%	22.98%	22.82%	22.96%	24.16%
5. Tax arrears	\$ 45,283	48,333	47,332	39,687	43,411
6. Tax arrears per capita (in dollars)	\$ 71.68	76.76	75.37	63.30	69.15
7. Municipal mill rate	32.140	32.809	33.479	33.479	32.966
Percentage change adjusted for portioning and reassessment	-2.42%	-2.00%	-0.40%	1.13%	2.00%
8. Winnipeg consumer price index (annual average)					
1992 Base Year 100	121.50	118.10	115.30	113.00	111.50
Percentage increase	2.88%	2.43%	2.04%	1.35%	2.11%
9. Consolidated revenue					
Taxation	\$ 480,974	488,334	485,786	479,652	477,030
User charges	416,408	409,474	402,968	392,884	381,164
Government transfers	93,741	92,530	96,318	140,825	148,111
Interest and other revenue	50,078	86,460	57,894	37,560	33,423
	\$ 1,041,201	1,076,798	1,042,966	1,050,921	1,039,728
10. Consolidated expenses by function					
Municipal operations	\$ 627,964	612,442	624,398	668,791	651,268
Public utilities	324,858	307,868	323,502	298,949	303,313
Civic corporations	27,758	26,566	26,576	25,263	24,863
	\$ 980,580	946,876	974,476	993,003	979,444
11. Growth in surplus for the year	\$ 33,830	31,577	26,634	21,226	27,374
Growth in reserves for the year	\$ 26,791	98,345	41,856	36,692	32,910

Notes: (In 1998, the City conducted a general reassessment which moved from a 1991 level of value to a 1996 level of value.

(The 2001, 2000 and 1999 figures for tax arrears include payments in lieu of taxes.)

(In 1999, the City began to accrue retirement allowance, environmental and vacation liabilities. Figures prior to 1998 have not been restated.)

(In 2001, the City began to accrue a Councillors' pension plan established under By-law 3553-83 and workers' compensation. Figures prior to 2000 have not been restated.)



Consolidated Financial Statements: Five-Year Review

As at December 31

(\$ amounts in thousands of dollars, except as noted;
 (Unaudited)

	2001	2000	1999	1998	1997
12. Consolidated expenses by object					
Salaries and benefits	\$ 437,557	435,028	449,514	437,385	435,898
Goods and services	340,983	299,586	310,958	276,583	265,455
Debt interest and repayment	176,253	189,312	182,818	183,176	177,646
Grants and other expenses	25,787	22,950	31,186	95,859	100,445
	\$ 980,580	946,876	974,476	993,003	979,444
13. Payments to school authorities	\$ 395,404	380,905	368,983	356,771	356,234
14. Long-term debt					
Tax supported	\$ 631,332	636,340	741,286	692,796	716,051
Transit	42,607	42,782	45,951	46,115	46,273
City-owned utilities	419,957	419,517	420,272	393,400	408,955
Other	40,892	41,881	41,811	39,590	42,577
Total gross debt	1,134,788	1,140,520	1,249,320	1,171,901	1,213,856
Less: Sinking Fund	405,865	353,101	345,859	291,164	270,388
Total net long-term debt	\$ 728,923	787,419	903,461	880,737	943,468
Percentage of total assessment	3.13%	3.42%	3.96%	3.89%	4.14%
15. Long-term debt servicing costs					
Tax supported	\$ 79,721	90,837	91,691	91,091	87,694
Transit	5,686	6,078	6,136	6,138	6,019
Utilities and all other	56,275	59,125	58,528	56,877	57,812
Total costs	\$ 141,682	156,040	156,355	154,106	151,525
Per capita (in dollars)	\$ 224.29	247.80	248.97	245.78	241.36
Percentage of total expenses	14.45%	16.48%	16.05%	15.52%	15.47%
16. Capital financing during the year					
Debenture debt issued	\$ —	30,000	80,000		90,000
Grants	22,398	20,274	28,979	42,939	44,257
	\$ 22,398	50,274	108,979	42,939	134,257
17. Reserves and Surplus					
Reserves	\$ 305,755	278,964	180,619	138,763	102,071
Surplus	\$ 270,076	236,246	204,669	182,935	252,337
18. Area in acres at the end of the year	116,000	116,000	116,000	116,000	116,000
19. Construction					
Permits issued	7,938	7,893	7,701	7,820	6,542
Value	\$ 372,969	475,691	504,158	499,975	352,942
Housing starts	1,290	1,044	1,127	1,304	1,217

Consolidated Financial Statements: Five-Year Review

Consolidated Financial

As at December 31

("\$" amounts in thousands of dollars, except as noted)

(Unaudited)

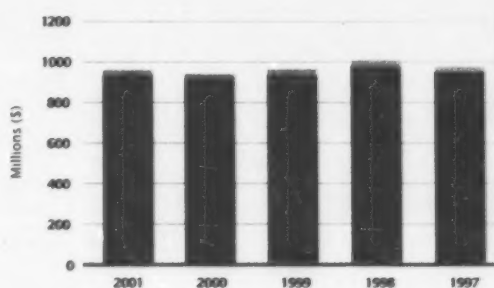
	2000	1999	1998	1997
12. Consolidated expenses by object				
Salaries and benefits	435,028	449,514	437,385	435,898
Goods and services	299,586	310,958	276,583	265,455
Debt interest and repayment	189,312	182,818	183,176	177,646
Grants and other expenses	22,950	31,186	95,859	100,445
	946,876	974,476	993,003	979,444
13. Payments to school authorities	380,905	368,983	356,771	356,234
14. Long-term debt				
Tax-supported	636,340	741,286	692,796	716,051
Transit	42,782	45,951	46,115	46,273
City-owned utilities	419,517	420,272	393,400	408,955
Other	41,881	41,811	39,590	42,577
Total gross debt	1,140,520	1,249,320	1,171,901	1,213,856
Less: Sinking Fund	353,101	345,859	291,164	270,388
Total net long-term debt	787,419	903,461	880,737	943,468
Percentage of total assessment	3.42%	3.96%	3.89%	4.14%
15. Long-term debt servicing costs				
Tax-supported	90,837	91,691	91,091	87,694
Transit	6,078	6,136	6,138	6,019
Utilities and all other	59,125	58,528	56,877	57,812
Total costs	156,040	156,355	154,106	151,525
Per capita (in dollars)	247.80	248.97	245.78	241.36
Percentage of total expenses	16.48%	16.05%	15.52%	15.47%
16. Capital financing during the year				
Debenture debt issued	30,000	80,000	—	90,000
Grants	20,274	28,979	42,939	44,257
	50,274	108,979	42,939	134,257
17. Reserves and Surplus				
Reserves	278,964	180,619	138,763	102,071
Surplus	236,246	204,669	182,935	252,337
18. Area in acres at the end of the year	116,000	116,000	116,000	116,000
19. Construction				
Permits issued	7,893	7,701	7,820	6,542
Value	475,691	504,158	499,975	352,942
Housing starts	1,044	1,127	1,304	1,237

Consolidated Financial Statements: Five-Year Review

Statements

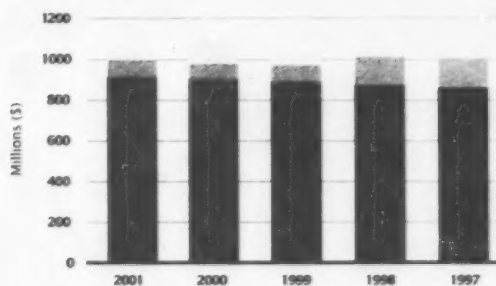
Consolidated Expenses by Function (1 and 2)

- Civic Corporations
- Public Utilities
- Municipal Operations



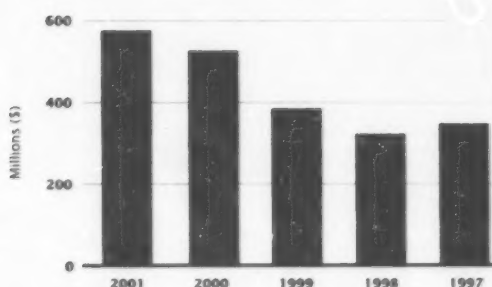
Consolidated Revenues by Source

- Interest and Other Revenue
- Government Transfers
- User Charges
- Taxation



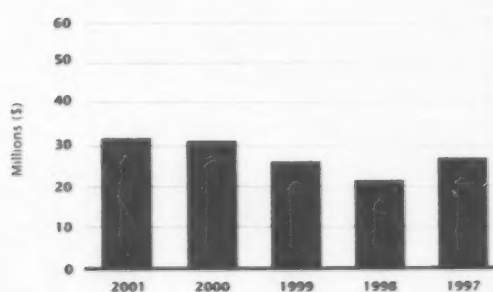
Reserves and Surplus (1 and 2)

- Surplus
- Reserves



Growth in Surplus for the Year (1 and 2)

- Surplus



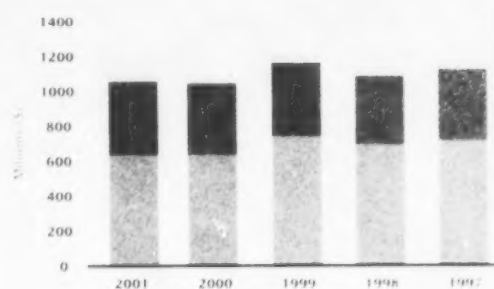
(1) In 1999, the City began to accrue certain employee benefits and environmental liabilities. Figures prior to 1998 have not been restated.

2) In 2001, the City began to accrue Councillors' pension plan established under By-law 3553/83 and workers compensation. Figures prior to 1999 have not been restated.

Consolidated Financial Statements: Five-Year Review

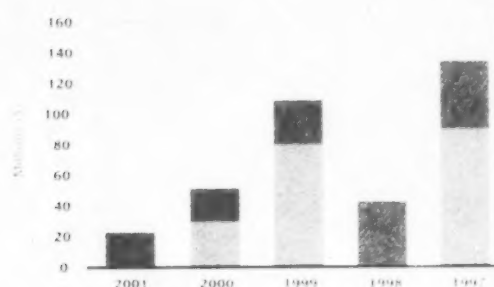
Summary of Consolidated Long-Term Debt

- Transit
- Other
- City Owned Utilities
- Tax Supported



Sources of Capital Financing

- Grants
- Debenture Debt Issued



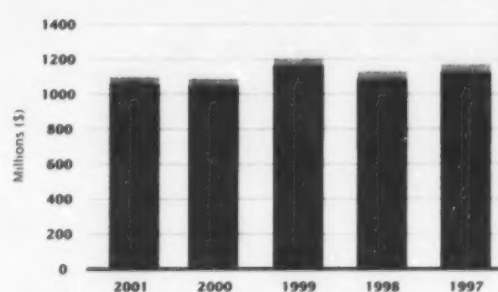
Principal Corporate Taxpayers

		Total 2001 Municipal and Business Taxes
Centra Gas Manitoba Inc.		\$ 4.0
Ontrea Inc.		\$ 3.5
Canadian National Railway Co.		\$ 2.7
OPB Realty Inc.		\$ 2.6
North Portage Development Corp.		\$ 2.2

Consolidated Financial Statements: Five-Year Review

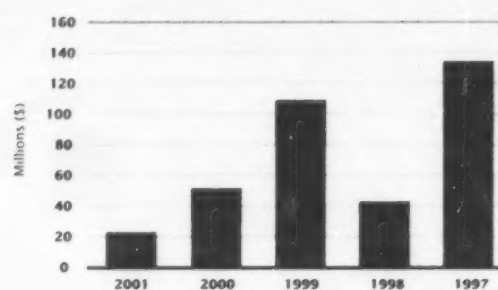
Summary of Consolidated Long-Term Debt

- Transit
- Other
- City-Owned Utilities
- Tax-Supported



Sources of Capital Financing

- Grants
- Debenture Debt Issued



Principal Corporate Taxpayers

**Total 2001 Municipal
and Business Taxes**
(in millions of dollars)

Centra Gas Manitoba Inc.	\$ 4.0
Ontrea Inc.	\$ 3.5
Canadian National Railway Co.	\$ 2.7
OPB Realty Inc.	\$ 2.6
North Portage Development Corp.	\$ 2.2

Key City Contacts

Building a better Winnipeg

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The City of Winnipeg's Detailed Financial Statements for 2001 are available as a companion document to the Annual Report.

The City of Winnipeg
Home Page can be found at:
<http://www.city.winnipeg.mb.ca>

